

## US Seventh Fleet converging on coast of Vietnam

American aircraft carriers, specially loaded with weapons and emergency rations, are converging on South Vietnam for a mass evacuation from the State Department officials in the Pacific island to be ready for daily flights if it became necessary to use it as a staging post for South Vietnamese seeking asylum. North Vietnam accused the United States of using the possibility of an evacuation as a pretext for continued military involvement in the area.

## Can to end evacuation this week

It also seems likely that both houses will reject the Administration's request for a further \$422m in military aid, in addition to the \$300m already approved. The Senate armed forces committee firmly turned down all requests for additional military aid, and probably reflected the sense of the Senate in doing so. The House of Representatives is usually more firmly opposed than the Senate to any continuation of American involvement in the war in Vietnam. The Administration still hopes to revive the matter in the Senate, but it would seem a vain hope.

Its main effort will be to persuade the appropriations committees to authorize the expenditure of the \$300m which has already been approved for Saigon. The American State Department has alerted Guam to prepare for possible daily flights of Vietnamese nationals being offered asylum in the United States. Pan American World Airways is reported to have aircraft standing by for the evacuation of Vietnamese who have applied for American citizenship or have relatives in the country. Emergency housing, food and medical supplies are being organized by the local government in case Guam is used as a staging area for the evacuees, or as a final destination for some of them.

Last week Mr. Richard B. Russell, the Governor of Guam, and the territorial legislature sent resolutions to President Ford saying the island would accept refugees permanently. The governor suggested that some 25,000 could be added to the island's population of 100,000.

## er fears of new list strike

By a Protestant majority at the Convention. Referring to last year's strike, Mr. Craig stated: "After five years of political and military attacks against the state of Northern Ireland, and after five years of denial of the rights of the majority, the Ulster people last May regained their pride and self-respect." The loyalist position has been a constant theme of his links with the Protestant paramilitary organizations, but in his speech, delivered at a private venue in Belfast, Mr. Craig said: "This year we have the opportunity to build a constitution that will last. It will need a massive effort from the UUCU and from the UWC and from every other loyalist organization to build a Protestantism inside the United Kingdom which will ensure the principles of British democracy. But any other constitution is doomed to failure." The text of Mr. Craig's speech will be studied closely by senior British officials who have already declared their concern about the fire consequences for Northern Ireland if the Convention does not produce a solution.

In the foreword to a discussion paper issued last year, Mr. Rees, Secretary of State, made it clear that there was no question of the Convention working along the straight-line majority terms now being demanded by the loyalists. Vote manipulation alleged, page 2. Libya's role, page 14.



The Prime Minister's twin granddaughters photographed for the first time at their Oxford home. Jennifer, held by her mother, Mrs. Robin Wilson, and Catherine, in her father's arms, seemed to enjoy it.

## Two Labour councillors are expelled from party

From a Staff Reporter  
Dundee

Two Labour councillors were expelled by the Dundee Labour Party yesterday. The decision came after an investigation into alleged non-declaration of personal interests when council contracts and planning permissions were awarded.

The two men are Mr. James Stewart, aged 48, a former chairman of the city Labour Party and at present deputy chairman of the corporation, and Mr. Harry Dickson, aged 59, convenor of the city planning committee and head of a Dundee firm of heating engineers.

Mr. Dickson was formerly a city treasurer and has been on the council for 21 years. Mr. Stewart has been on it for 20 years.

The allegations about failure to declare personal interests were made in a World Action television programme.

Both Mr. Dickson and Mr. Stewart said yesterday that they would appeal to the national executive committee of the Labour Party. They had no further comment.

Mr. Tom Moore, Lord Provost of Dundee, who was also named in the television programme in connection with council contracts, was in the Middle East last week when the allegations were made. He will be interviewed by the local party executive when he returns.

## Spanish bishops champion right of free speech in call for reconciliation

From Harry Debelius  
Madrid, April 20

In an appeal for "reconciliation" between all Spaniards, the Roman Catholic hierarchy called this weekend for recognition of the rights of free speech, free assembly and free association.

The appeal formed part of a 9,000-word "collective pastoral letter" made public yesterday and subscribed to by the episcopal conference, whose president is the Cardinal Enrique y Tarancón, Archbishop of Madrid. It took the bishops nearly

## TUC will urge review of social contract

By Alan Hamilton  
Labour Staff

A reappraisal of the social contract is likely to be urged today by the TUC when it meets Cabinet ministers and Labour Party leaders for the latest in a series of regular private talks on the economy.

Union leaders, dismayed at Mr. Heath's stiff Budget measures, will tell the Government that the contract's wage guidelines are becoming outdated, and that a budget which encourages higher prices and higher unemployment is not in the interests of working people.

But the Prime Minister and the Chancellor, faced with last week's figures of a record rate of inflation, will tell the TUC that contract-breaking wage increases will automatically lead to higher unemployment. They may also use the occasion to give advance warning of a possible statutory wage freeze later in the year.

The Scottish TUC, which has less responsibility in the shaping of economic policy than its English counterpart, criticized the Budget severely last week. Delegates said they now felt free of any obligation to honour the social contract's wage guidelines. The conference supported Mr. Michael McCahey, Communist president of the Scottish miners, in his appeal for wage increases which improved living standards rather than merely maintaining them as specified in the guidelines.

Forced by the Government most of this year's big pay negotiations have been completed. Groups still waiting to settle, particularly the

200,000 railwaymen, are intent on ignoring appeals for moderation and are continuing to press for increases of about 30 per cent, well above acceptable social contract levels.

The Government's appeal for wage moderation will be based on its promise that it still intends to honour its side of the bargain with the unions.

Cabinet concern at the level of wage settlements can be judged from the remarks made by Mr. Foot, Secretary of State for Employment, when he addressed the Scottish TUC last Thursday. It was the first major post-Budget pronouncement by a minister.

Mr. Foot, who in the past has been a staunch defender of the unions, made it clear that present trends could only worsen unemployment. Rail union leaders, who have rejected a 20 per cent offer, are to return to the British Railways Board tomorrow to press for at least another 10 per cent.

"Try harder": There was no need for the social contract to be rewritten, Mr. Jack Jones, general secretary of the Transport and General Workers' Union, said in an interview with the Press Association last night. "It is just a question of observing it."

Although about four-fifths of wage settlements had been within the contract, that was not good enough. Workers' unions and the Government had to try a "little bit harder". He called for more publicity of the reasons why the social contract was needed.

Engineers' reaction, page 2

## 'Crisis' warning over EEC hysterical, say dissenting ministers

By George Clark  
Political Correspondent

Four Cabinet ministers who are leading the Labour Party campaign against the Government's majority decision to recommend continued membership of the Common Market, yesterday condemned as "hysterical" a statement earlier in the day by Mr. William Whitelaw, deputy leader of the Opposition, that a "No" verdict could mean an unparalleled constitutional crisis in Britain.

Mr. Foot, Secretary of State for Employment, Mrs. Castle, Secretary of State for Social Services, Mr. Benn, Secretary of State for Industry, and Mr. Shore, Secretary of State for Trade, were presenting a statement in which they set out the parliamentary programme for taking the United Kingdom out of Europe if that is the referendum outcome.

They said that Mr. Whitelaw's suggestion that Conservative MPs in the Commons would disregard the decision of the people and even rely on the House of Lords to stop the withdrawal legislation showed again how basically undemocratic was the Conservative Party's approach to this great issue.

Mr. Whitelaw, speaking at the Institute of Public Relations conference, said overwhelmingly in favour of staying in, and should the referendum result in a negative or unclear decision, members of Parliament would be faced with a choice between following their own judgment or their electors'.

The alien device of the referendum could provoke an unparalleled constitutional crisis, especially if it were to lead to a negative or unclear decision, members of Parliament would be faced with a choice between following their own judgment or their electors'.

Mr. Benn said that Mr. Whitelaw's comment that the EEC Commission might prevent the British people from getting out was an indication of the power which he saw the Commission yielding in Brussels.

Referring to a suggestion that the Conservatives in the House of Lords would use their majority to block the withdrawal, Mr. Benn said that that could lead to a rerun of the great battle which was fought over the powers of the Upper House in 1910.

The House of Commons having disposed of the House of Lords, the Conservatives then fell back on the democratic concept of the EEC Commission as a means of defeating the

will of the people, and it provided an interesting parallel that the Conservatives now thought that if the Commission needed to be defended they would use the House of Lords for that purpose. Mr. Benn added:

When the British people realize that this is a rerun of the long, historic battles for the rights of the British people to determine their own future, I have no doubt what the outcome will be. So let us have more speeches by Mr. Whitelaw on this.

Mr. Foot commented: "Mr. Whitelaw would end up with the full-hearted consent of the House of Lords and nobody else."

Mrs. Castle thought the Conservatives in Parliament would not dare to flout the will of the people expressed through the referendum.

It is part of the hysteria which is being built up, to try to convince the British people that they cannot do what they want to do. . . . Clearly, in a democracy the people are sovereign and can do what they decide ought to be done.

Conservatives are trying to repudiate this right, and they will come out of the referendum campaign revealed even more clearly in their true anti-democratic colours. When we are claiming the right to consult the British people and to reconsider the verdict which Mr. Heath proposed on leaders like Mr. Whitelaw that we are creating a constitutional crisis. . . . My heavens, how much bigger would be the crisis in a few years' time if we decided, out of fear, that we had to stay in the Market and then found that the decision was in fact irrevocable because we should have moved automatically and without close economic and political integration.

By then the United Kingdom would have become tied to a new system of budgeting and would finally have severed all our other trading links in the world. That was why, she said, the referendum and the promised legislation offered the last chance for us to regain our freedom.

Mrs. Castle said that in the statement drawn up by the dissenting ministers they indicated the clear and constitutional steps that could be taken "perfectly smoothly" to move out of the EEC.

Continued on page 4, col 6

## Ballot of consultants on work-to-contract

By John Roper  
Medical Reporter

The Hospital Consultants' and Specialists' Association decided yesterday to ballot its 5,000 members on whether they want to continue their present work-to-contract. Sanctions will continue until the ballot result is known, in a week or two.

The association is upset that it was left out of the all-night talks with Mrs. Castle, Secretary of State for Social Services, which resulted in the British Medical Association, which represents about 8,500 consultants, deciding to lift sanctions last Friday.

It is writing to Mrs. Castle protesting about being left out of the talks and rejecting her interpretation of the consultants' contract. It says it cannot be bound by an agreement reached without consultation.

Settlement accepted: The Junior Hospital Doctors' Association, which has decided "reluctantly" in view of the country's economic difficulties, to accept the recommended new pay scales for its members, an official said yesterday (the Press Association reports).

However, the association's national executive said it felt that the settlement "may lead to medical staff shortages".

## I violent in n politics

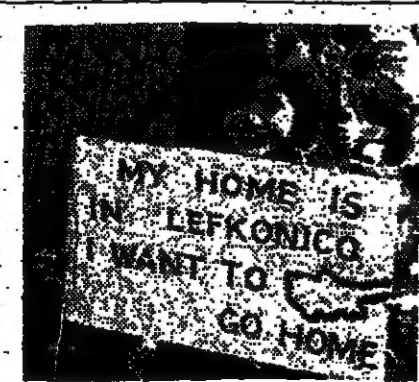
ath in four days of political has given a bitter fore- week's celebrations in thirtieth anniversary of ration. Responsibility for d is generally ascribed to sts. Signor Moro, the ter, has been consulting l parties, except those of right, in efforts to cope lence to law and order. Page 5

## Paper success

Paper on education has 0,000 copies before publishing to one of its Rhodes Boyson, Con. Page 4

## Service review

(SAC Service chooses its 4s is to be reviewed laint from the Society of us that the present foster class distinction. Page 2



A Greek Cypriot girl makes her plea in a London court yesterday against continuing Turkish occupation of Greek homes in the north of the island. The march coincided with one in Cyprus where the Turkish authorities refused to accept petitions from marchers who were turned back by United Nations troops. Page 6

## Peace talks call

Russia wants the Palestine Liberation Organization to attend a resumed Middle East peace conference in Geneva in June. Mr. Ismail Fahmi, the Egyptian Foreign Minister, announced this in Moscow yesterday after talks with Mr. Andrei Gromyko, the Soviet Foreign Minister. Page 7

## Queen's Award won by 95 companies

The Queen's Award to Industry list, published today, recognizes achievement in exporting or technological innovation by 95 British companies. 16 more than last year. Two companies, the guided weapons division of British Aircraft Corporation and Sinclair Radionics, receive the award for both exports and technology. Page 17

## Tribesmen killed

Guerrillas in the northern border area of Rhodesia have murdered more tribesmen and abducted others in several incidents in the past 10 days, a Government spokesman disclosed in Salisbury. Page 6

## Cheque card fraud

The use of cheque cards to buy money order postal orders in post offices has been stopped by banks from today after frauds last year cost an estimated £100,000. Page 4

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Battered wives: Three women who escaped violent husbands set off for a European tour disapproved of by the Government.

Prostitution: The National Association of Probation Officers has suggested that soliciting should no longer be against the law.

Architects "robbed": British architects have been "robbed of their birthright" by a labyrinth of controls, the president-elect of RIBA believes.

The arts: Inflation has made the grant to the Arts Council seriously inadequate and attempts are being made to raise money from outside sources, including both sides of industry.

Lexington: Paul Ryver rides in daylight and arrives late as Redcoats and Minutemen exchange fire in America's 200th anniversary celebrations.

Commonwealth: Mr. Arnold Smith, in his final report, writes of the benefits it gets from British membership of the EEC.

## On other pages

Features, pages 7 and 14  
Humphrey Berkeley says public money should go to MPs instead of party machines. John Young presents a gloomy forecast for the Government's housing policy. Roger Berthoud asks why we are making such a fuss about EEC membership. Caroline Moorhead's profile of Nobel Prize chemist, Dorothy Hodgkin.

Letters: On the Attorney General and the House Finance Bill from Mr. David Weitzman, QC, MP, and others; on the Black Paper on education from Mrs. Fiona Clark and others.

Leading articles: The Black Paper on education; Portuguese election. Arts, page 13.

Irving Wardle on Entertainments Mr. Sloane; Philip Norman on Ray Charles at the Festival Hall; Monday book; Sport, pages 8 and 9.

Athletics: Neil Allen comments on the qualifying marks set for 1976 Olympic track and field programme; Racing: Report of eventual Sunday meeting at Longchamp; Football: Norman Fox reviews the championship position. Obituary, page 16.

The Financial Times  
4/21/75  
**Gresham  
Life moves  
from City**

By John Trafford, Property  
Editor

GRESHAM LIFE Assurance, is moving from the City of London to Westbourne, Bourne, Cambridgeshire. The move will be completed by the end of April. The company's new office will be in Gresham Street, in the City, where it should be completed by the end of the year.

It is expected that half the staff will be moving with the company. The move is being made with the understanding of the Insurance Commission.

The company's new office will be in Gresham Street, in the City, where it should be completed by the end of the year.

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## HOME NEWS

## Irish delegation fails to persuade Libya that IRA aid should end

From Robert Fisk

Tripoli, April 20  
After four days of talks with senior government officials in Tripoli, the 16-strong Irish parliamentary delegation to Libya has failed to elicit any assurance from Colonel Gaddafi's Government that it will give no more aid to the IRA.

The Libyan leader has said on nine occasions that he is helping the Provisionals. He is believed to have furnished the IRA with their entire stock of Soviet rocket launchers, and both the Irish and British governments had hoped that the group, which includes members of all three parties in the Dail, would be able to explain to the Libyans that the IRA do not represent the Irish people on either side of the border.

The Irish, who include a junior Fine Gael minister and the Deputy Speaker of the Senate, did tell Mr Ahmed Shabari, secretary of the Foreign Affairs Committee of the Arab Socialist Union, the country's only political party, that they did not wish to see Ireland re-united by force. The Libyans, however, after providing official luncheons and dinners for the delegation, were still making references today to "freedom fighters" in Ireland.

There seem to be three main causes for the group's failure. First, their own unwillingness to question the Libyans closely on the aid they have given the

Provisionals. In 1973, for example, the gun-running ship Claudia was reported to have been loaded with weapons in Tripoli harbour, yet the Irish Delegation, it has now emerged, did not even refer to the IRA specifically in their discussions, only to "those who use violence".

At least three members of the Irish Parliament thought that a stronger line should have been taken though they were hampered by a dispute which broke out within their ranks over whether Mr Frank Maguire, a Dublin businessman but not a member of the Dail, should be allowed to attend the most important of the talks with the Libyans.

There was a small squabble by standards but one of the Libyan hosts who found out about it telephoned government officials and told them the Irish delegation was divided.

The third and most substantial reason for the Irish failure was the apparent insistence by the Libyans that any gestures by their government would be made only after the Irish had given their support to the participation of the Palestine Liberation Organisation at the forthcoming Euro-Arab conference. The delegation could give no such assurance and so were unable even to gain the promise of a trade deal between Ireland and Libya.

Libya's role, page 14

## Five Ulster women on Amnesty list of prisoners

By a Staff Reporter

Five Roman Catholic women in Northern Ireland, who allege they have been maltreated in jail, are on a list of 252 women political prisoners throughout the world which was issued yesterday by Amnesty International.

An Amnesty spokesman said that the cases of the Northern Irish women, all in Armagh jail, had not yet been adopted by the organization that their allegations were being examined.

The women are among seven being held in the prison as suspected terrorists under the Emergency Provisions Act. Their cases are being investigated "not only as untried prisoners, but also because it seems probable that they were unconnected with violent political action".

Amnesty says that its list, which includes prisoners in 25 countries, is being issued to try to draw attention to the plight of only of women political prisoners, but also of all peoples held without charge, for political, religious or ethnic reasons. It has been issued in conjunction with the International Women's Year.

The Amnesty spokesman said that women were often detained by police in an attempt to get their husbands or boy friends. They were often tortured and sexually assaulted. He said that Iran was the worst offender.

## Three women who found refuge from violent husbands visit the Continent to tell of their experiences

By Diana Geddes

Three battered wives and eight of their children are among a party of 19 who are to set off today for a two-week camping tour of four European countries. The party hopes to draw attention to the need for refugees on the Continent for the victims of such assaults, and to raise funds for the Women's Aid group in Britain.

The group's centre, a house in Chiswick, was founded three years ago by Mrs Erin Pizzey, wife of a television reporter, to provide a secure, and secret, emergency shelter for battered wives and their children.

Seventy-four mothers and children are living in 10 rooms, some sleeping four to a bed. In the past 22 months the centre has taken in 584 mothers and 1,200 children, taking account only of those who have stayed for 48 hours or longer.

"We never turn anyone away," Mrs Pizzey says. That has been the source of continuous difficulties with the Housing Council and the Government. The centre is meant to house only 35 people. Mrs Pizzey claims the council has been trying to close down or take over the centre since it opened.

Last year Women's Aid received a £10,000 urban aid grant, of which a quarter is paid by the local authority and the rest by central government. This year, the council threatened not to renew the grant because of the overcrowding.

But Mr William Hamilton, Labour MP for Fife, Central, and chairman of the Commons select committee on violence in marriage, has asked the Department of Health and Social Security to pay the centre's running costs until the committee publishes its first interim report, it is hoped in July.

Besides the Chiswick refuge, Women's Aid has seven centres in the country, where its members help women in London and other cities. In all there are about 20 refuges for battered



Mrs Erin Pizzey with members of the touring party.

wives in this country. There is only one in Europe, Mrs Pizzey says, set up in Amsterdam a year ago by Dutch girls who had worked in the Chiswick refuge.

The group were invited to go to the Continent by the Amsterdam refuge and by women's rights groups in Bonn, Paris and Brussels who are paying for the visit.

Mr Alec Jones, Parliamentary Under-Secretary of State

for Social Security, said last week that the department was "perturbed" by battered wives and their children being "paraded" round the select committee that no part of the trip was being paid for by the Government.

But the three women yesterday had no praise high enough for what the centre at Chiswick had done for them and were willing to do anything to help women on the Continent in a similar plight. None would give her name for fear that her husband would find out where she was.

One of the mothers, aged 36, with six children, had stayed with her husband for 15 years before finally escaping to Chiswick centre three months ago.

The trouble had started when their first child was born, she said. It was not just beatings: he had tried to burn her eyes out with a red-hot poker; he had knocked her unconscious four times; she had nearly lost one child after being kicked when she was pregnant.

He had attacked the children, throwing the boys against the bedroom walls and punching the girls, she said. Her son, aged 11, had been on valium (a tranquillizer) for three years before they came to the centre. He had been a "nervous wreck" without any control of himself, messing his trousers all the time and clanking down the street as if he had St Vitus dance.

Her husband was living with another woman. The divorce, which she had been unable to obtain for years because her husband would beat her up each time he found out, was going through.

Life for all of them was beginning again. They were all thriving in the prospect of being abroad; they had never been anywhere in their lives, save to Southend once for a week.

## Civil Service review after elitism complain

By Peter Hennessy

The Civil Service is to review its procedures for recruitment of senior civil servants after complaints from the Society of Civil Servants (SCS) that the system is prone to class distinction and elitism.

The review comes only four years after the Civil Service abandoned the distinctions between its administrative, executive and clerical classes and replaced the assistant principal rank with a more broadly based administrative trainee grade designed to improve the promotion prospects of executive officers.

The society, which represents 85,000 civil servants in middle management grades, says that the division of administrative trainees after two years into higher executive officers and higher executive officers (A) or fast streamers selected for rapid promotion to principal, represents a new guise for the system that existed before the Fulton report.

After the publication of the Fulton report in 1968, the intention was that 40 per cent of administrative trainees (260 of whom were recruited in 1974) would be promoted within the ranks of the services and 60 per cent by direct graduate recruitment. But what has happened is that direct graduate recruitment now accounts for 80 per cent of appointments, while the promotion of administrative trainees accounts for only 20 per cent, the society says.

Mr Gerry Gillman, general secretary of SCS, said: "It is now seven years after Fulton and time to see if we have achieved the breaking down of barriers and the development of talent at all levels. We are beginning to think that the HEO (A) fast stream is really

the old class distinction assistant principal writ large and a cloak for disguising a classist approach."

The society expected progress for the abolition of HEO (A) grades and replacement by a single system at executive officer level with eventual selection for rapid promotion based on in-service performance.

The review of selection procedures will be carried out by a joint study group under the chairmanship of Mr Stephen Bamfield, an Under-Secretary in the Civil Service Department.

The Association of First Division Civil Servants, whose members are drawn from the highest grades of the Civil Service, is represented by Norman Ellis, its general secretary.

The study group is expected to complete its report by spring next year. It is to review arrangements for recruitment into and advancement within the administrative group, executive officer and administrative trainee levels above, taking into account manpower implications, future growth and wastage.

There is some feeling within the study group will be treading on dangerous ground. Senior civil servants recognize the need to increase the proportion of in-service candidates selected as administrative trainees and the value extending to the executive level the extensive career plan facilities enjoyed by administrative officers. But doubts have been expressed about the wisdom of diluting or postponing the selection of "fliers" destined for early promotion and important responsibilities.

## Committee to study handling of kidnappings

By Clive Borrell

A committee has been set up under the chairmanship of Lord Evers of Greatham, Minister of State at the Home Office, to work out a procedure to be adopted by the police in handling kidnappings.

Foremost in the minds of ministers is the committee, which includes police representatives, is the need to save the lives of the victims. Kidnapping is a comparatively rare crime in Britain, but the two most prominent cases in the news are those of Mrs. Maria McKay and Miss Lesley Whittle—both resulted in death.

The committee is studying both cases and has invited representatives of the American Federal Bureau of Investigation (FBI) and Western European police forces for discussions. Senior police officers have accepted that errors were made in the early stages.

One suggestion being considered by the committee is that regional police squads, which cover all parts of Britain, should be assigned to kidnap cases immediately they are reported. The squads should work through their national coordinator, Mr Leonard Read, a former murder squad officer at Scotland Yard.

It is likely that during the committee's deliberations executives of newspapers, radio and television will be invited to assist. Some senior detectives feel that if they had been given a team of 50 men without publicity, they would have stood a better chance of saving the lives of kidnap victims.

## Journalists favour index-linked BBC fee

By a Staff Reporter

There should be no fundamental dismantling of the BBC, a working party representing members of the National Union of Journalists working in broadcasting says in evidence to a House of Commons Select Committee on the Future of Broadcasting.

The group wants the price of independent television and BBC broadcasting to be index-linked. It suggests that the BBC's licence fee should be increased annually according to a agreed price index, to avoid dangers of political pressure when the BBC applies to the Government for an increase.

While the working party agrees that the broadcasting system is in crisis, it is critical of the present situation, and suggests that there is a strong tendency towards broad establishment attitudes. "Editors and broadcasters are left alone only long as they do not stray too far from the assumptions upon which our society is based," it says.

The report adds: "Equally disturbing is the grip which established political parties exert on broadcasting through the House of Commons and the People's Act, the transfer in which they divide air time for political broadcasts, and blatant news management which exercises through the news conferences at election time."

The broadcasting journalists want more public accountability and greater employee participation. They propose the setting up of a broadcasting council to supervise standards and to complete a new half of members being appointed by the Government and the other half being employees.

## Mr Rees to get Alliance Party dossier on alleged postal vote malpractices

From Christopher Walker

Belfast  
With less than two weeks until polling day, the campaign for the Ulster Convention elections has run into the familiar Irish problem of alleged electoral "malpractices".

The moderate Alliance Party disclosed yesterday that it is preparing a dossier for Mr Rees on postal vote manipulation which it alleges is being carried out on a large scale by both the SDLP and the United Ulster Unionist Council.

Mr Robin Glendinning, party organizer, says that a number of serious malpractices have been reported to him. The postal voting system has been in wide use since it was introduced to counter intimidation during the Border poll in 1973.

There will be sworn evidence that a postal vote "factory" has been operating from a school. Allegations that undi-

lates have been soliciting postal votes from hospitals and that attempts have been made to fill out postal vote applications in the names of people who have died will also be contained in the dossier.

In another part of the United Kingdom, the allegations would have caused a scandal in the run-up to an election, but in Northern Ireland, where "personation" is as old as the ballot box itself, they are not likely to have a serious effect on the campaign.

After the high sectarian death toll in recent weeks, Northern Ireland had an exceptionally peaceful weekend. The only serious incident involved a soldier in plain clothes who was shot while driving through a republican stronghold of Belfast in an unmarked white van.

Suspicion about the man's identity and where he was from has not been increased by the length of time

taken by the Army to provide details of the incident, and by the brevity of the eventual statement issued from Lisburn.

According to local residents, the man shot in the head on Saturday afternoon was an "Army man" operating in plain clothes. But the Army statement described him as an "administrative officer", a description which they refused to amplify.

The man was shot as he drove the van across a junction in the Falls Road. He returned fire, but the attacker escaped in another car. Later, after treatment at a local hospital, the man was transferred under heavy guard to a military hospital in the city, where his condition was described last night as "comfortable".

The Army said that, in keeping with their normal practice, as the man had not been seriously injured he would not be named.

## Licensing urged for prostitutes

By Marcel Berlins

Legal Correspondent

Soliciting by prostitutes should no longer be a criminal offence, and the vagrancy laws should be repealed, the National Association of Probation Officers says in a memorandum published today. Replying to a recent Home Office working party report on vagrancy and street offences, the officers call for a "fundamental review with a view to establishing a system of licensing prostitutes".

It points out that prostitution as such is not illegal, and says that the competent and professional prostitute now has more control over her earnings and her business has become, if anything, more lucrative.

"It is the inadequate and amateurish prostitute who has continued to solicit on the streets and has been dealt with under the law. Among them are women who are often suffering severe problems of alcoholism, mental illness, low intelligence and personality disorders," the memorandum says.

The intervention of the law has severe drawbacks. Enforcement of the Vagrancy and Street Offences Acts is a drain on resources needed elsewhere, making considerable demands on the time and manpower of police and courts. Where imprisonment is used it involves public expenditure on a group of offenders with a high rate of recidivism.

## Welsh Liberals seek oil safeguards

From Our Correspondent

Llandudno  
The Welsh Liberal Party at its annual conference at Llandudno yesterday called on the Government to begin at once a survey of the Welsh coastline as a first step to minimize possible damage from Celtic Sea oil or gas fires.

A Welsh Liberal working party should consider the possible effects, with particular references to coastline and wild life damage, possible guarantees that oil companies should use local labour where possible, and to an insistence that the projected Welsh Parliament should have a big part in deciding about oil development. The party should learn the lessons of the effect of North Sea oil on Scotland.

Mr Thorpe, the Liberal leader, said in Barnstaple, Devon, on Saturday that the "politics of persuasion" was rapidly giving way to the "politics of defence". The disease could not be cured until the democratic system was seen to be more responsive and representative.

The case for reforming the electoral system was "obvious and quite overwhelming". Mr Maund, shadow Foreign Secretary, on Saturday praised the political courage shown by Mr Healey, Chancellor of the Exchequer, in his Budget last week.

"Not only did he identify the nature of Britain's problem, galloping inflation, and its cause, excessive wage increases, which his political and union colleagues have stimulated or at

best not resisted, he actually did something about it," he said at Barnstaple, Hertfordshire.

Mr Healey said in a BBC Radio Leeds interview that wage increases which breach the social contract could lead to further cuts in public spending. He referred directly to the wages claim by railwaymen and hoped their negotiators would consider that. They had ignored the social contract earlier.

Mr Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen, said in reply later: "The social contract allows us to maintain our living standards. If taxes were going to increase the cost of living they would have to be taken into consideration."

Mr Healey said earlier in the interview that price rises would start slowing down by June, if unions kept pay demands within the contract.

By between June and December the annual rate of inflation should be between about 12 and 16 per cent.

Mr Thatcher, Leader of the Opposition said on Saturday that Britain would move towards an "Eastern European style" of the Tories last night election.

She told East Renfrewshire Conservatives in Glasgow: "Anyone who votes against the Conservative way, the way of life, the democratic way of life, true democracy with personal ownership, personal effort, personal responsibility, will be inevitably going toward the socialist state."

## Engineers may react first to any new pay curb

By Raymond Porman

Labour Staff

The first reaction of rank and file trade unionists to any new pay restraint guidance emerging from today's meeting of the Labour Party-TUC liaison committee is likely to come from the 52-man national committee of the Amalgamated Union of Engineering Workers, which meets in Blackpool this week.

Left-wingers on the committee, which is the policy-making body of the dominant engineering section of Britain's second largest union, will oppose any form of wage restraint and will try to persuade the union to adopt a policy repudiating the social contract.

Delegates of the right wing, who are likely to have a majority, will emphasize the need to support the Labour Government in its fight against inflation.

Mr Hugh Scanlon, president of the union and a leading member of the TUC economic committee, will miss today's meeting with the Labour Party, but he is likely to refer to the future of the social contract in his address today to the conference.

The national committee is also expected this week to

approve a pay deal negotiated with the Engineering Employers' Federation that will add 30 per cent to basic pay rates over the next year, increasing the craftsman's basic pay from £32 to £42. The way for acceptance of the deal was cleared last week when negotiators settled details that had been troubling the unions.

The union's attitude to the European Economic Community may also be debated if the standing orders committee agrees that it is within the union's constitution to do so. In that case right-wingers will try to reverse the policy of total opposition to membership, throwing a block vote of 800,000 into the pro-EEC camp at the special Labour Party conference next weekend. But it is likely that moderate anti-marketisers will join with left-wingers to defeat the move.

Mr Benn, Secretary of State for Industry, will address the conference on Friday. The union will also consider its prospective merger with three other sections, representing draughtsmen, foundry and construction workers, and the future of its postal balloting system, which has been under attack from left-wingers.

## Ratepayers plan court plea over 54pc rise

An appeal under section 7 of the General Rate Act 1959, has been launched by domestic ratepayers in the London borough of Hillingdon, whose rates have gone up by 54 per cent. They have been told that until the crown court hears their appeal they cannot be forced to pay more than last year's rate.

After a protest march by 6,000 ratepayers on Saturday more than 2,000 of the demonstrators subscribed to a fund to pay the costs of the appeal. The Hillingdon Residents' Federation, which organized the march, will present the case on the ratepayers' behalf.

The organization's lawyers have told it that no one has yet tried to appeal under section 7 of the Act since it came into force.

Grounds of appeal: Under section 7 a person may appeal if he is aggrieved by any rate or by any neglect, act, or thing done or omitted by the rating authority or if he has any material objection to the amount charged (a Staff Reporter writes).

## Solicitor wins regional crossword final

The fourth (north-western) regional final of the Cuzzy Sark's Times national crossword championship, held yesterday at the Royal George Hotel, Knutsford, was won by Mr Michael Watkins, a solicitor from Oxton, Birkenhead, a newcomer to the championship. He scored maximum puzzle points of 124 with 63 time bonus points.

The runner up, who also goes on to the national final in September, was Mr J. Colby. He scored maximum puzzle points with 51 time bonus points.

Prizes were also presented by Mrs Lindsay Buxsey on behalf of Cuzzy Sark Scotch whisky to Mr M. Forster and Mr F. Chandler, who came third and fourth.

## BBC 'was cruel to child'

Mrs Mary Whitehouse, honorary general secretary of the National Viewers' and Listeners' Association, has asked the National Society for the Prevention of Cruelty to Children to take action against the BBC for its "cruel exploitation" of a tiny child in the series, *The Light in the Sluagh*.

She said that in an episode filmed this month a child was depicted screaming from its mother's breast and then watched in terror as she was thrown to the ground and bound with ropes.

As the mother was dragged away the child toddled after her "sobbing in the most heart-rending fashion", she said.

The BBC said last night: "The sequence in question lasts for only 10 seconds. The woman in the film is the child's actual mother and she was quite happy with the sequence." The child also knew the actor who bound up the mother.

## Drunk on duty is most frequent offence at sea

Drunkenness on duty is the most frequent offence on British merchant ships, a report published today states. Drunkenness by crew members during their leisure time is the second most frequent offence on ships bound for foreign ports.

In both the time ships the second most frequent offence is missed sailings, which is the fourth most frequent on foreign-going ships.

The findings are drawn from answers to a recent questionnaire sent to seagoing members of the Mercantile Marine Service Association. The replies showed that generally misconduct is most evident in the deck department in both home trade and foreign-going ships.

The MMSEA is represented on a working group set up by the Department of Trade last year to review disciplinary requirements on board British merchant ships. In its annual

report, out today, the association's council says it is essential that an effective code of good conduct should exist, so that ships can be operated safely and efficiently.

It viewed with "extreme concern" the repeal last year of two sections of the Merchant Shipping Act, 1970, concerning disobedience to a lawful command and absence without leave.

The National Union of Seamen applied for the repeal. The council is gravely concerned in case merchant seamen now believe disobedience of lawful commands and missed sailings are no longer serious offences.

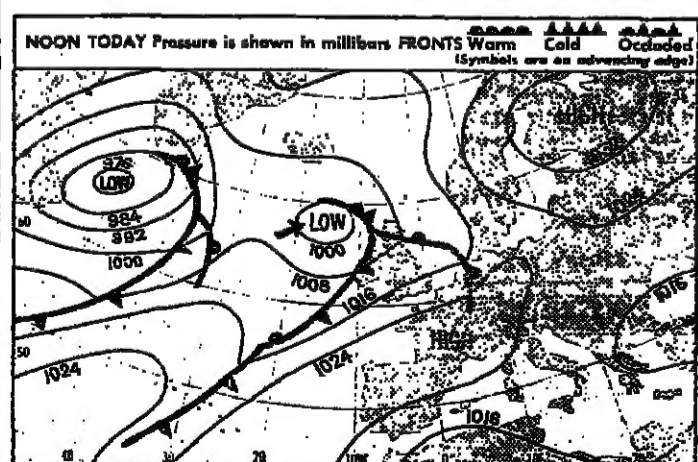
"The removal of the previous sanction, held in reserve for extreme cases of missed sailings, is particularly regretted because of the additional strain placed on shipmasters," it says.

## Gain for schools ginger group

A ginger group yesterday captured five of the 18 seats on the national executive of the Confederation for the Advancement of State Education (Casc) with the slogan "Practice what you preach".

It has been split since September over whether its leaders should be able to send their children to private or independent schools. At the confederation's annual conference in Sheffield on Saturday, a motion by the group that only parents with children at fully maintained state schools should be eligible for leadership failed to get the required two-thirds majority. Voting was 24 in favour and 23 against.

## Weather forecast and recordings



Today  
Sun rises: 5.34 am  
Sun sets: 8.6 pm  
Moon rises: 3.31 am  
Moon sets: 2.47 pm

Full Moon: April 25  
Lighting up: 8.30 pm to 5.22 am  
High water: London Bridge, 10.8 am, 6.2m (20.7ft); 10.38 pm, 6.2m (20.4ft). Ayrmouth, 3.20 am, 1.6m (5.2ft); 1.16 pm, 1.4m (4.6ft). Dover, 7.39 am, 5.6m (18.5ft); 8.10 pm, 5.8m (19.1ft). Hull, 2.30 am, 5.9m (19.3ft); 2.16 pm, 6.2m (20.2ft). Liverpool, 7.43 am, 7.9m (26.0ft); 8.31 pm, 8.0m (26.3ft).

A mild S-W airstream covers the British Isles.  
Forecasts for 6 am to midnight:  
London, East Angles, E. Midlands: Mostly dry, rather cloudy, bright spells; wind S-W, moderate; max temp 14° to 15°C (57° to 59°F).  
Central S, SE England: Rather

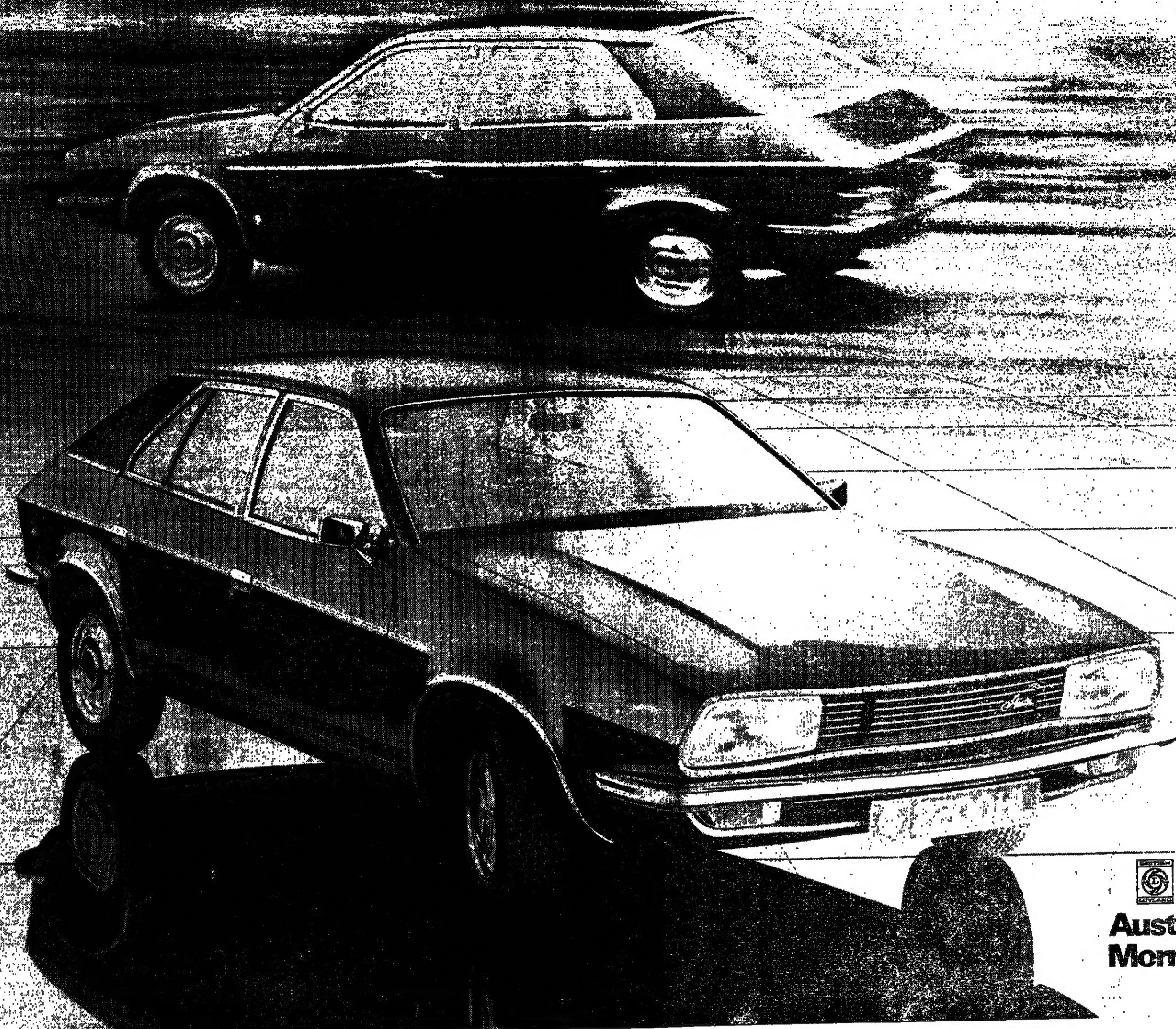
cloudy, mostly dry, but occasional drizzle and hill fog patches near coasts, bright spells inland; wind S-W, moderate or fresh; max temp 13°C (55°F).  
Wales: Mostly cloudy with occasional drizzle, fog over hills and coasts; wind S-W, fresh or strong; max temp 12°C (54°F).  
N. Ireland, N. Wales, NW England, Lake District, Isle of Man, SW and NW Scotland, Glasgow, Argyll: Mainly cloudy with occasional rain or drizzle, hill and coastal fog patches; wind S-W, fresh or strong; max temp 12° to 13°C (54° to 55°F).

England: Rather cloudy with rain or drizzle in places, but bright intervals; wind SW, moderate or fresh; max temp 12° to 14°C (55° to 57°F).  
Outlook for tomorrow and Wednesday: Becoming dry with sunny periods, but rather cloudy with some rain in S at first.  
Sea: Mostly calm. North Sea: Wind SW fresh; S moderate.

WEATHER REPORTS YESTERDAY  
MIDDAY: c, cloud; d, drizzle; f, fair; r, rain; s, sun

Aberdeen	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Aldershot	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Ammanford	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Belfast	11	SW	mod	11	SW	mod	11	SW	mod	11	SW	mod
Birmingham	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod
Cardiff	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Edinburgh	10	W	mod	10	W	mod	10	W	mod	10	W	mod
Exeter	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Gloucester	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
London	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod
Manchester	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod
Newcastle	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod
Nottingham	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod
Sheffield	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod
Southampton	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod
Stoke Newington	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod
Swansea	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Torquay	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Walsley	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Wolverhampton	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
Wrexham	13	SW	mod	13	SW	mod	13	SW	mod	13	SW	mod
York	14	SW	mod	14	SW	mod	14	SW	mod	14	SW	mod





**Austin  
Morris**

# At last a big car that's not too big to handle.

It's unfortunate but true that whilst all big cars are comfortable to sit in, not all big cars are comfortable to drive.

In fact, some of them are downright clumsy.

That's something we had well and truly in mind when we developed our new 18-22 Series. We wanted the car's handling to be as smooth as possible.

So we gave it front wheel drive to pull you easily around the tightest of bends.

And Hydrgas® suspension for the smoothest possible ride.

Add to that a wide track for exceptional stability, unusually wide tyres (giving you greatly increased road grip) and the 18-22 Series is already sounding like a remarkably responsive car.

The amount of thrust you have is completely up to you. There's a choice between 4- and 6-cylinder engines, with power-assisted steering on all 6-cylinder models.

Once you've visited your nearest Austin or Morris show-

room and driven our new car, we're sure you'll be impressed with it. Because if you look at this list of features, you'll see that we've built a big car with not only the passengers in mind but also a car's most important occupant.

#### Its driver:

1. Advanced aerodynamic wedge shape in two different body styles reduces drag, improves m.p.g.
2. All independent Hydrgas® suspension that needs no regular maintenance for the life of the car.
3. Front wheel drive.
4. Wide track and wide radial-ply tyres for better road holding.
5. Choice of two economical engine sizes: OHV 4-cylinder and a performance OHC 6-cylinder.
6. Dual circuit power-assisted brakes with front discs.
7. Power-assisted steering on all 6-cylinder models.

8. Reclining driver's seat adjusts up and down as well as back and forward.

9. Three-speed ventilation system includes re-circulation control on low speed, side-window demist and foot level vents.

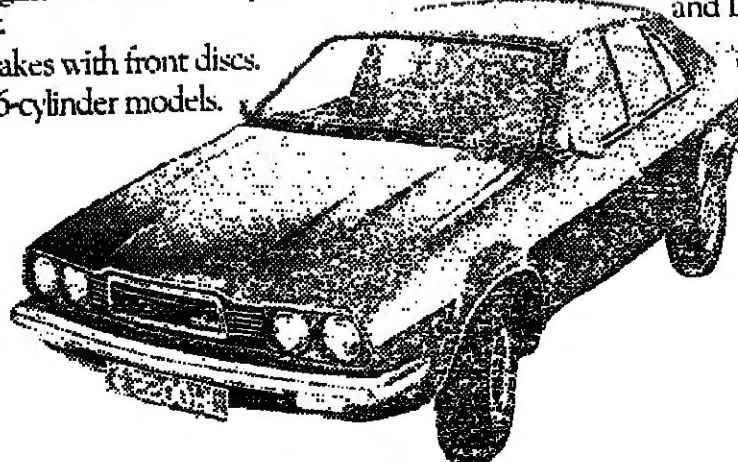
10. Comprehensive safety package ranging from heated rear window to rigid steel body shell.

11. Soundproofing to luxury car standards.

12. Rust protection includes wax injection of sill members, electro-phoretic paint, under-body protection and front wheel arch liners.

13. Wolseley features as standard push-button radio, tinted glass, long centre console, vinyl roof and carpeted boot.

14. Parts and service available from over 2,500 Distributors and Dealers throughout the country.



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The car that's got it all together.



## HOME NEWS

# Controversial Black Paper on education sells nearly 20,000 copies before publication

By Tim Devlin  
Education Correspondent

Nearly 20,000 copies of the Black Paper on education have been sold in advance of publication, according to Dr Rhodes Boyson, one of the discussion paper's co-editors.

The paper, the fourth in a series by the supporters of traditional forms of education, is published today. Details of its recommendations, which include three national examinations at the ages of seven, 11 and 14, were published in *The Times* three weeks ago.

The proposals were condemned by Mr Prentice, Secretary of State for Education and Science, and Mr Ernest Armstrong, Under-Secretary of State at the department, for reintroducing a rat race.

But Dr Boyson, Conservative MP for Brent, North, says in a statement published today: "Mr Prentice and Mr Armstrong may in alarm condemn the Black Paper 1975, with its radical suggestions for improvement, but the fact that almost 20,000 copies have been sold before publication shows the depth of public concern. The arguments and statistics in the book must be answered, not ignored or the Labour ministers will lose credibility."

Professor Brian Cox, of Manchester University, the other

editor of the Black Paper, said: "A whole generation of children have been given an education which makes them deprived because it lacks traditional schooling."

He said the purpose of the Black Paper was to support the views of many teachers and parents who wanted to save the next generation of schoolchildren. "We are not arguing for a return to the 1930s. We accept the value of discovery methods. But we want a sensible structure in schools."

The paper also recommends that mothers should be encouraged to stay at home and look after their pre-school children. It calls on parents to attend school meetings and to see the head teacher in school, failing to maintain standards of reading, writing, spelling and arithmetic.

They should demand higher standards of behaviour and oppose "dangerous fashions which have corrupted many in the teaching profession".

Dr Boyson said copies of the Black Paper had been sent to MPs and members of the House of Lords interested in education. "It has been read in the House of Commons. Many MPs have spoken to about it. Most have been in favour. Sir Keith Joseph has said how much he has enjoyed reading

it and how helpful he has found it."

Mr Fred Jarvis, general secretary of the National Union of Teachers, described the Black Paper as "an appalling document" which demonstrated the black philosophy of its authors and their utter irresponsibility and careless disregard of facts.

Professor Cox and Dr Boyson showed a complete contempt for the majority of teachers, most politicians and educational administrators, Mr Jarvis said. The essence of the general philosophy seemed to be "to prepare the mass of working-class children to be hewers of wood and drawers of water."

Such was the arrogance of the authors that they assumed that they alone were concerned about educational standards and the quality of teaching. That was to do a great disservice to the vast majority of teachers who were concerned, but who realized that the problems they confronted the profession were far more complex and, notwithstanding the achievements of the schools, far greater than the Black Paper pamphleters had even begun to appreciate.

Black Paper 1975, edited by C. B. Cox and Rhodes Boyson (J. M. Dent and Sons, 95p).

Leading article and letters, page 15



Two art student "yeoman warders" with a young entrant in the national costume contest passing Charles I's statue in Whitehall yesterday. *Diary*, page 14.

## Architects being thwarted by labyrinth of controls, new RIBA chief says

By Tony Aldous

Architects in Britain have been "robbed of their birthright" to design buildings in a creative and imaginative way, Mr Eric Lyons, the president-elect of the Royal Institute of British Architects, believes. They are thwarted by the labyrinth of controls and safeguards with which society has hemmed them in.

"It is because society has imposed too many safeguards, too many road signs, policemen and traffic wardens telling them which way to go, that architects have become unpopular," he says. His designs for Spain in the 1930s and 1960s were perhaps the main influence on postwar, low-rise housing.

He sees the present administration of planning control as a well intentioned but over-elaborate "censorship system", preventing architects' creative skills and energies from being released to the community's benefit.

But financial constraints imposed by administrators and

quantity surveyors attract Mr Lyons' fiercest criticism. Intelligent people damaged by the restrictions of architects' building users' needs should understand that the profession was "the victim of the pre-occupation with economics that bedevils our time".

He would not mind if cost-yards produced no more houses, or houses that were better value for money. "But they do not," he says. "They produce minimum houses for a maximum amount of money." It is the architect's job, he insists, to interpret need and decide on spending priorities. He may make economies elsewhere to produce an important touch of quality like a better floor or a door with better handles. "Then the quantity surveyor comes along and tells me: 'You can use a cheaper door here.' Quantity surveyors always tell me what I know already."

He believes his profession has in the past two decades been led, or driven, down a blind alley. "We were con-

vinced that management could solve all our problems. But what the community wants from architects is beauty. It does not want to know how smart and well organized we are, but that we design buildings which are lovable and durable."

The RIBA, like other professional institutions, was seriously threatened by inflation. It had become very bureaucratic, because economies had "scraped it down", and was like an engine that had run out of fuel. Members were unwilling to pay higher subscriptions for an organization that they felt did not meet their needs.

A committee under his chairmanship had produced plans for reorganizing the RIBA. A state of economic siege was not a good time for ambitious change, but Mr Lyons said: "My ambitions for the RIBA are enormous. I should like to try to unite architects around architecture, not around organizations and hierarchies." The RIBA "could be a real centre of aid for architecture."

## Industry and unions may give cash aid to the arts

By Kenneth Gosling  
Arts Reporter

Serious inadequacies in the Arts Council's grant-in-aid have led to fresh attempts to enlist aid from outside sources, including both sides of industry.

After last week's decision by the TUC to set up a working party to consider union policy on the arts, Mr Hugh Jenkins, the minister with responsibility for the arts, is shortly to meet Mr Campbell Adamson, director-general of the Confederation of British Industry. He has also had what is described as an "interesting proposal" from Imperial Tobacco, but details have not been disclosed.

Mr Jenkins regards the 1975-76 figure of £26m in grant aid as a great victory, but recognizes the eroding effect of inflation. He is appealing to theatres to try to seek aid themselves, and also to local authorities to contribute more.

It would be bad for the arts, it is felt, if all theatres were primarily dependent on the Arts Council. As it is, throughout the country the support given by the council is more than that provided by the local community. There has been a dramatic change in the past decade in the way the council divides up the available money.

## Cheque card ban in post offices

The principal banks are banning from today the use of cheque guarantee cards to purchase postal orders or money orders at post offices. The action is an attempt to check frauds estimated to cost about £2,000 a week.

Cheques will be accepted by post offices for those purchases only by special arrangement with the local post office manager. There is a racket going on through the use of stolen cheque cards and cheque books, a bank spokesman said. "It is getting quite substantial and a substantial amount is being done through post offices."

The banks do not disclose figures for the frauds but the total is estimated unofficially at more than £100,000 last year and the figure is still rising. About half the frauds are believed to be carried out through post offices.

Banks some time ago took measures to reduce frauds carried out in their branches by marking cheques and money orders with cash in hand. The spokesman said.

Banks have been discussing the matter with the Post Office for some weeks, but, because of the extra work involved, no other way was found. The spokesman said genuine customers would not be inconvenienced seriously, but even football pools could be paid by cheque.

## £1,900 fines on football supporters

Thirty football supporters appeared in court on Saturday, only two hours after riots in the Meadow Lane Ground at Nottingham during the North County match against Manchester United.

Four special courts sat for more than two hours. The magistrates were told by Chief Inspector Dennis Adams of "horrific" scenes at the game, which ended in a 2-2 draw. He said: "It is the worst ever outbreak of soccer violence in this city."

Twenty-three supporters were fined a total of £1,928, and seven others were remanded on bail. The charges were mainly of assaulting police officers and using behaviour likely to cause a breach of the peace. After the game Manchester United supporters invaded the pitch and police officers, surrounded by hundreds of youths, were punched and kicked, Mr Adams said.

Police Constable Steven Hussey, aged 25, was detained in hospital with concussion after being kicked in the head.

## EEC REFERENDUM

## Constitutional crisis if Britain leaves, Mr Whitelaw says

If the EEC referendum result was a majority in favour of British withdrawal, it could mean an unparalleled constitutional crisis for Britain, Mr William Whitelaw, the deputy Conservative leader, said yesterday.

Leaving the Community would not be smooth and straightforward, he told the Institute of Public Relations conference at Stratford upon Avon. He said:

Parliament has voted overwhelmingly in favour of staying in, and should the referendum result in a negative or unclear decision, members of Parliament would be faced with a choice between forcing the issue or leaving the voters to elect their alien device of the referendum could provoke an unparalleled constitutional crisis, especially if our present European partners proved less than over-willing to help our Government to undo complex legislation.

He attacked the "myths" of those against membership. It was a "myth" that Norway and Sweden were free of Community commitments but enjoyed the benefits—they had had to accept parts of the Treaty of Rome in return for trade concessions.

It was a "myth" that EEC membership was to blame for the deterioration in Britain's balance of trade with Europe—we had switched to the EEC when world prices were dear.

It was a "myth" that the Community was a vast bureaucracy—the Commission's staff in Brussels was 7,000, smaller than that of the Scottish Office.

It was also a "myth" that the

British would lose their individuality—we had not done, neither had the French, Germans, Dutch or Belgians.

In another speech on Saturday, Mr Whitelaw told a meeting in London organized by the Conservative Group for Europe that most of those opposed to Britain's staying in and campaigning in the EEC referendum were left-wingers hoping to establish a socialist state in Britain. Much of the responsibility of working for a "Yes" vote rested with the Conservative Party.

Mr Whitelaw emphasized that the referendum would not be on joining Europe but on withdrawing and "breaking our treaty obligation".

There can be no doubt that the main body of people who wish Britain to leave the EEC are left-wing socialists. They want to establish a complete socialist state. They are afraid of our remaining in Europe because they fear their freedom will be lost, in some way, he intimated.

The Conservative Party had an obligation to fight for a pro-EEC vote.

We are faced with a major danger and changes back to the status quo and Britain's position in Europe. We believe the referendum is a dangerous and damaging constitutional innovation that is what every man, woman and child should remain unique for very long. It has produced one absurdity after another. There can be no excuse for some people to suggest that although they are in favour of staying in Europe, they will not vote in the referendum because they do not believe in referenda generally. That is absurd. Their beliefs are at risk today.

## Conservatives accused of undemocratic approach

Continued from page 1

He talked of the atmosphere in which these discussions might take place.

A decision by the British people against membership of the EEC will, of course, be unwelcome to the Conservative Government, but I certainly do not think that the Common Market is unprepared for a decision to withdraw. It has already had partial experience of withdrawal when Norway, which was expected to enter, decided against.

Asked why January 1, 1976, had been chosen, Mr Shore explained that that was when the next stage of Britain's commitments under the constitutional arrangements for the Common Market would be due to begin, when we were due to raise our tariffs against Commonwealth and other countries. We were also due to increase our contribution to the European Budget which was a reasonable time to choose.

Mr Shore said that ministers would negotiate to secure an orderly withdrawal.

## Planning the withdrawal strategy

A strategy for British withdrawal from the EEC "in an orderly way" after a majority vote against membership in the June referendum is set out in a statement published yesterday by six Labour ministers. They are Mr Foot, Secretary of State for Employment; Mr Castle, Secretary of State for Social Services; Mr Benn, Secretary of State for Industry; Mr Shore, Secretary of State for Trade; Mr John Silkin, Minister for Planning and Local Government; and Mrs Hart, Minister of Overseas Development. The statement said:

We have given careful consideration to the immediate action that will need to be taken following a vote for the withdrawal of Britain from the Common Market in the Referendum on June 5. We have issued this statement to show how the task of withdrawal can be undertaken in an orderly way without undue difficulty provided the necessary preparations are set in hand.

As we consider our arrangements for withdrawal from the EEC we should remember two things. No part of our trade with countries outside the EEC and will be unaffected. Our huge trading deficit with the rest of the world is not likely to be affected in such an over-favourable position would wish to deny themselves continued access to our markets, which they rely so heavily on. Since 1972 British imports from EEC countries more than doubled, mostly in manufactured goods and food, and in the last half year reached an annual rate of over £3,000m against exports of £2,000m.

1. The Legal Position: According to the pledge they have already given, a referendum vote for withdrawal will be binding on the Government and Labour MPs. The referendum will not, of course, affect the legal status of Britain as a member of the EEC. That will continue to be the position until the necessary legislation has been passed by Parliament and the Treaty of Accession has been revoked by the Government. It will therefore be for the Government to decide the exact moment when it would be best for Britain to become independent.

2. The Process of Negotiating Withdrawal: Given the fact that British membership of the Common Market since January 1, 1973, has already led to the development of arrangements between Britain and the Communities, we shall need to replace these arrangements with new ones, covering our relationship both with the Community and with our other trading partners. We must therefore allow a short but sufficient period to elapse before we make the final break so as to permit the necessary arrangements to be made.

3. The Timetable: The Government will report the result of the referendum to the House of Commons immediately it is known and the Government would then no doubt wish to seek the immediate support of the House for its broad approach to withdrawal along the lines outlined below.

(1) Legislation would be introduced at once to repeal the European Communities Act, including: Clause 2(i), which gives effect to the arrangements between Britain and the Communities; Clause 2(ii), which allows the

Common Market to tax the British people; Clause 2(iv) which gives precedence to EEC law over domestic law when they are in conflict; Clause 5, which allows our rights towards the rest of the world with those of the Common Market; and Clause 6, which authorizes the collection of levies on imported food and the payment of its proceeds to the Common Market.

This Repeal Act would allow for the application of existing Community laws until the appointed day; thereafter these laws would be repealed by law. It would be before Parliament in accordance with provisions to be made in the Bill. The appointed day would be the day upon which the Treaty of Accession would be revoked and thereafter Britain would cease to be a member of the EEC. The appointed day would be later than January 1, 1976.

(2) The British Government would report the decision of the British people for withdrawal to the Council of Ministers. The Government would then present its proposals as to the best methods for securing the United Kingdom's withdrawal and for the alteration of trading relations with the EEC.

Interim arrangements: Britain, in the short interim period before withdrawal, would continue to be a member of the Communities. The Government would attend Community committees to deal with relevant on-going business but would, by agreement, not contribute to the development of future Community policies, save only in so far as they were concerned with the United Kingdom's withdrawal and the alteration of trading relations with the EEC.

British ministers most concerned—namely the Foreign Office, the Treasury, the departments of Trade, Agriculture and Industry—would engage in simultaneous discussions to prepare for the withdrawal and to seek alternative trading arrangements which would form the basis of the new trading relations with the Communities. The Community Budget contributions would continue to be paid as before until the end of December 31, 1975, and allocation of funds for Community purposes that had already been provided for in public expenditure forecasts would be set aside.

External Policies: Having obtained the freedom to conduct its own external commercial policy, the United Kingdom would wish to explore with its other trading partners future trade cooperation. In particular: (i) We would enter into discussion with the Commonwealth countries over the future of Residual Commonwealth Trade Preferences; (ii) We would consider with the EFTA countries the negotiation of our membership; (iii) We would play

our full in the multilateral trade negotiations now taking place under the auspices of the General Agreement on Tariffs and Trade aimed at the further reduction of tariff and non-tariff barriers in world trade. The Government would clearly require the protection of these Commonwealth interests involved in the Lomé Convention, especially negotiators of the EEC and 46 countries of Africa, the Caribbean and the Pacific (the ACP countries). The Convention requires the ACP countries to remain a member state and by two-thirds of the ACP countries before it comes formally into force, a process which will take several months. Britain has not yet ratified Lomé. We shall probably return to the Convention and ratify it during the interim period. We shall be free to make our own arrangements to support the Convention, or for similar measures to assist the developing countries. We shall be free to make our own arrangements to support the Convention, or for similar measures to assist the developing countries. We shall be free to make our own arrangements to support the Convention, or for similar measures to assist the developing countries.

## Mr Heath attacks Labour's '3 witches'

Messrs Benn, Shore and Foot were like the three witches in Macbeth, Mr Heath said on Saturday.

Their aim, he claimed, was to gain control of the Labour Party by getting Britain to break an EEC treaty obligations and thereby "dish" the moderate voices in the Cabinet.

Mr Heath told the Conservative Group for Europe at Central Hall, Westminster, "I am some darkened room of Transport House, on the very left of the building, they are busy buying their own witches' brew."

"A dash of distortion here, an element of exaggeration there, all of course to be taken with a pinch of salt. And they brew their myths, they do it in creating hubbub, bubble, toll and trouble."

The strange irony was that those who were spreading myth about the cost of the EEC were people like Mr Benn "who I probably the biggest bureaucrats and the wildest spendthrifts that this country has ever known."

"But let us recognize the facts. Benn, Shore and Foot are using the Europe issue to brew up toil and trouble inside the Labour Party for their own ends. That, after all, was why Mr Benn attempted and finally managed to commit the Labour Party in 1972 to the device of referendum which, until then Mr Wilson had quite properly grouped on a constitutional ground."

There was a "No" vote in the referendum, we would find ourselves "pulling out of Europe straight into the well coming arms of the wild men of Labour's left," he said.

Mr Heath was standing in a grand ovation when he entered the hall and a further two-minute round of applause after his speech.

## Policy of Nine 'cushions' food prices

Two years in the EEC has proved beyond doubt that the common agricultural policy could work in the best interests of both United Kingdom producers and consumers, Mr John Cosins, vice-president of the National Farmers' Union, told a conference at Basingstoke on Saturday.

Although United Kingdom domestic food prices increased by almost 40 per cent between 1972 and 1974, he said, virtually none of that increase could be attributed to adoption of the CAP. EEC prices, particularly for grain and sugar, had been below world levels and had been able to take advantage of the fact.

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## WEST EUROPE

Italian violence claims  
bird victim on  
operation anniversary

Peter Nichols

April 20

On the day of a young man's killing in Florence, the anniversary of the Italian Social Movement's birth, a young man was hit by a bullet and killed. The victim was a young man, a member of the Italian Social Movement, a young man who was killed by a bullet. The victim was a young man, a member of the Italian Social Movement, a young man who was killed by a bullet. The victim was a young man, a member of the Italian Social Movement, a young man who was killed by a bullet.

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Senior  
diplomats  
in big  
reshuffle

By Roger Berthoud

In a big diplomatic reshuffle, Sir Michael Palliser, Britain's Permanent Representative to the European Communities, is to succeed Sir Thomas Brimelow as Permanent Under-Secretary at the Foreign and Commonwealth Office later this year.

Sir Nicholas Henderson, British Ambassador in Bonn since 1972, will take over from Sir Edward Tomkins, who is retiring, as Ambassador in Paris.

Sir Oliver Wright, the Deputy Under-Secretary of State responsible for European affairs at the Foreign and Commonwealth Office, will become Ambassador in Bonn.

A formal announcement of these appointments is expected to be made before the referendum on Britain's EEC membership. The outcome of the vote could influence the choice of Sir Michael Palliser's successor in Brussels.

Among those tipped for this gruelling post is Sir Donald Maitland, at present the Deputy Under-Secretary specialising in energy problems.

Senior ambassadors due to retire this autumn include Sir Edward Peck, Permanent Representative to the Nato Council since 1970, and Sir Terence Garvey, Ambassador in Moscow.

Sir Thomas Brimelow's appointment as Permanent Under-Secretary in 1973 was widely interpreted as a support arrangement and a tribute to his outstanding services as an expert on Soviet affairs.

Sir Michael Palliser has served abroad, principally in French-speaking posts—once in Dakar and now in Paris—most recently as Minister (Political) when Sir Christopher Soames was Ambassador.

He has spoken fluent French since childhood, and frequently acted as interpreter when British Prime Ministers were at the Elysée Palace. His wife Marie is the daughter of the late Paul-Henri Spaak, who served Belgium so well as Foreign Minister.

Sir Michael's appointment will be well received at the Foreign Office. As Permanent Representative in Brussels, he has confirmed his reputation as the complete diplomat, combining an ability to master complicated dossiers with unflinching energy and cheerfulness.

The society which we live in is not what we had hoped for. In this sense, the resistance movement has been in part betrayed, turned or not completed.

We have failed to give to the liberty we won with the uprising of the resistance, an economic context of social justice.

## INDO-CHINA

Peking's prestige in  
Asia at highest ever

From David Bonavia

Peking, April 20

China's prestige in Asia this weekend stands at its highest point in modern times.

The dramatic events in Indo-China have been the clearest possible justification for Peking's five-year support for the exiled Prince Sihanouk and the Khmer Rouge movement with which he allied himself.

In Vietnam, predictions of eventual doom for the Saigon Government seem to be being fulfilled faster than anyone thought possible.

President Kim Il Sung of North Korea, who rarely steps down from the heights of his own personality cult to travel abroad, has arrived in Peking beaming amiably and praising the Chinese friendship.

And the Chinese leaders have missed no opportunity to berate the Soviet Union for its policies in Asia while at the same time rubbing a judicious quantity of salt into America's wounds.

The capture of Phnom Penh by an insurgent government whose acknowledged head of state and Prime Minister are still in Peking could have been seen as a discredit to the independence of the Khmer Rouge.

But in practice the distinction between Prince Sihanouk's faction on the one hand, and the organisers and fighting men in Cambodia on the other has enabled China to appear to be giving only disinterested support without manipulating the situation.

Thus Peking can bask in the gratitude of the victorious Khmer Rouge without seeming to be in any way their mentor. By comparison with China's consistent support, Moscow's

last-minute recognition of Prince Sihanouk's faction seems undignified. This provides China with a good practical answer to the often repeated Soviet call for an Asian collective security arrangement which, it is tacitly understood, would be under Moscow's aegis.

Foreign diplomats are still puzzled about the reasons for President Kim's sudden trip to Peking and it is not yet certain whether he is going on to Moscow and other countries. With North Korea believed to be owing some \$300m in foreign currency to Western exporters, and unable to meet its debts, one possible reason for Marshal Kim's trip is clear.

However, the suspicion is growing that Marshal Kim wants to push Pyongyang's demand for reunification of Korea, by peaceful means or otherwise.

It is unlikely that China would wish to seem to be encouraging North Korea to disturb the balance of military power in the peninsula unless civil strife amounting almost to chaos had first arisen in the South. But Marshal Kim's ambitions are clear and he may be anxious to discover how far China would support him in a new Korean crisis.

The Chinese have publicly reminded him of their enmity towards Moscow, but the Korean leader sidestepped the issue as usual. Korea is a particularly explosive issue because the reverses in Indo-China, which will make a stand over Korea if the need arises, in any case, it seems increasingly probable that President Ford's visit to China can take place this year as proposed.

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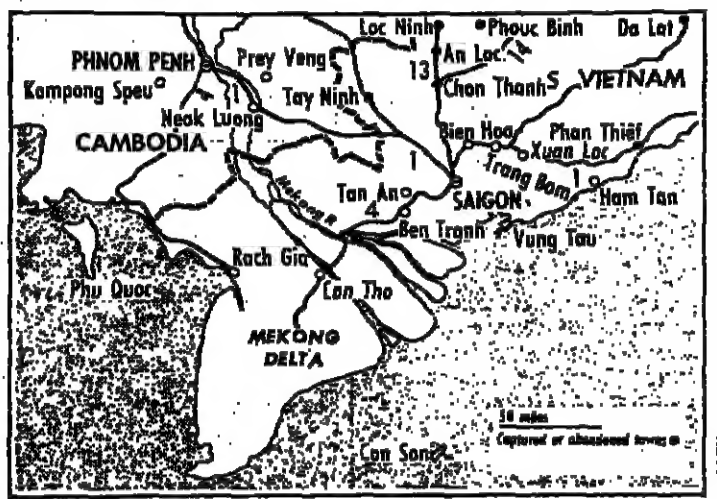
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plan to evacuate South Vietnamese who were in any way associated with the Americans presence in Vietnam to avoid panic while Americans were leaving.

As it became obvious over the weekend that the United States would not evacuate all of its former South Vietnamese employees, terrified secretaries and typists from American institutions began to look for ways to leave the country.

In the meantime, North Vietnamese troops continued to sweep southwards. Phan Thiet, one of three ports which remained in the Government's hands 100 miles north-east of Saigon, was overrun yesterday. Communist forces closed in on the district town of Ham Tan, 68 miles east of Saigon.

Government troops continued to hold on to the besieged provincial town of Xuan Loc, 37 miles north-east of Saigon, however.

Our Diplomatic Staff writes: About 150 Britons remain in Saigon, most of whom have been advised to make their own arrangements to leave by commercial flights.

There are contingency plans, however, for evacuating those who remain until the last, including 19 staff in the British Embassy. Most today leave under a British plan, but some, particularly British nationals working for United States companies, might leave with the Americans.

Dependants and some members of the British community left by charter flight two weeks ago.

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Campaign of  
carnivals  
in Portugal

From Nicholas Ashford

Lisbon, April 20

Portugal's election campaign reached a crescendo this weekend with a series of events which began with a picnic for party supporters followed by a programme of music and songs in the First of May stadium.

Columns of hooting cars, festooned with brightly lit party banners, drove through the streets to publicize the event. Later in the afternoon there was a big rally addressed by Socialist leaders, including Dr Mario Soares and Dr Salgado Zenha.

The Communist Party were also in festive mood. Senhor Alvaro Cunhal, the party's leader, presided yesterday at a "people's carnival" in Oporto which, like a similar festival in Lisbon last weekend, involved a whole range of entertainments.

The Communist youth organization held a separate fête in Lisbon where several hundred people laughed and cheered at an affair of Dr Soares.

The Portuguese Democratic Movement (MDP), a close ally of the Communist Party, organized its own festival in Lisbon's bustling today. There were fights, music, and party leaders and light relief was provided by clowns.

Leading article, page 15

PHNOM PENH, April 20. The capture of Phnom Penh by an insurgent government whose acknowledged head of state and Prime Minister are still in Peking could have been seen as a discredit to the independence of the Khmer Rouge.

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Saigon girls seek foreign  
husbands for exit visas

Continued from page 1

some 3,000 Americans, members of the embassy, civilians working on official contracts with the South Vietnamese Army, former soldiers and their Vietnamese families are expected to leave the country on charter aircraft during the next week.

Until recently the United States has refused to implement an evacuation plan on the ground it would undermine confidence in South Vietnam and touch off panic in Saigon.

According to sources close to the embassy, officials hope to reduce the American presence in South Vietnam to a minimum number of essential people. The Americans are leaving in small batches because officials fear that panic-stricken mobs might storm the airport if reports of a mass evacuation spread through the capital.

An American diplomat said that the Embassy wants to avoid at all costs a repetition of the scenes at Da Nang last month when mobs stormed departing aircraft and angry Government soldiers fired on helicopters because they were left behind.

Americans who remain in the city after this week will be given a secret signal during weather forecasts when it is time to get out. The code: "The temperature in Saigon is 105 degrees and rising," followed by 30 seconds of the song "The Dreaming of White Christmas," will mean that Americans should gather at strategic points throughout the city. Marine helicopters will then pick them up and take them to direct carriers.

It seems doubtful whether the United States will be capable of evacuating the estimated 400,000 South Vietnamese who might be subject to reprisals in the event of a communist takeover. To many Vietnamese it seems that President Ford announced his

plan to evacuate South Vietnamese who were in any way associated with the Americans presence in Vietnam to avoid panic while Americans were leaving.

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PHN



## OVERSEAS

## Turkish troops reject Cyprus petition from 20,000 women

From Our Correspondent  
Dherynia, Cyprus, April 20

Thousands of Greek Cypriot women refugees and scores of foreign supporters held a non-violent march here today to ask the Turkish Army to allow them to return to their homes in the Turkish-occupied part of Cyprus.

The Turks refused to have anything to do with the women, who waited patiently for hours for some response at this United Nations military checkpoint dividing the Greek Cypriot and Turkish frontline positions.

The women marchers, numbering more than 20,000, walked three miles to the checkpoint behind a forest of flags from 91 nations, whose representatives supported the demonstration.

Two British Labour MPs, Mrs Lena Jozar and Miss Jo Richardson, walked side by side with Miss Melina Mercouri, the Greek actress, Lady Annabel Fleming and scores of other women who had travelled specially to Cyprus to support the demonstration.

The object was to ask the Turkish Government to implement the United Nations General Assembly resolution, which was adopted unanimously last November, calling for the return of all Cypriot refugees to their homes.

The Turks dismissed the march as a Greek propaganda stunt and held a counter-demonstration by 150 Turkish Cypriot women at the same time on the other side of the 300-yard strip dividing the front lines.

The object of this demonstra-

tion was to draw attention to the hardships suffered by the Turkish Cypriots as a result of Greek Cypriot actions during the past 11 years.

The Turks gave a warning earlier that they would not be responsible for the consequences if any of the Greek marchers approached the Turkish lines. As a result, the United Nations Peace Force took elaborate precautions to prevent this happening.

Dozens of armed Swedish soldiers stopped the Greek marchers as they approached the Greek Cypriot checkpoint. They allowed only 100 of the foreign women in the march and two Greek Cypriot refugee women to advance to the halfway point in the buffer zone, so that they could deliver their petition to the Turks. The Turks refused to accept it.

The Turkish troops remained out of sight behind lines of barbed wire and earth embankments bearing large signs with the warning: "Attention mines."

After a sit-down vigil of three hours most of the Greek Cypriot refugee women dispersed peacefully. But about 200 stayed, saying they would remain until the Turks accepted their petition.

Our Athens Correspondent writes: More than 5,000 Athenian women gathered in the ancient Herod Atticus theatre today to demonstrate their support for the Cyprus march. The meeting was organized by a score of Greek women's organizations and was timed to coincide with the Cyprus march.

## Greeks hail Premier for success in Paris

From Our Correspondent  
Athens, April 20

Mr Constantine Karamanlis, the Greek Prime Minister, received a hero's welcome today when he returned from his official visit to Paris.

Thousands thronged Athens airport on a sunny Sunday afternoon to greet him with cheers, applause and his portrait decked with flowers. The Prime Minister told the enthusiastic crowd: "Greece has regained her prestige abroad, which gives her confidence, and we should preserve this capital by behaving as mature human beings."

The hearty cheers for the word "prestige" reflected an understandable relief after the diplomatic isolation of the years of the dictatorship. The extensive newspaper and television coverage of Mr Karamanlis's visit to Paris has given Greeks the timely assurance that in this period of international tension and alienation from the United States, Greece does have a friend and ally in France.

Greece's desire to accelerate her promotion from associate to full membership in the EEC was viewed favourably in Paris and, on a more concrete level, France will apparently support Athens's application for a \$480m (£200m) credit from the European Investment Bank.

It was the intention of Mr Karamanlis, in view of the continuing tension with Turkey, to ask the French to speed up delivery of the modern weapons Greece has on order. However, officials have imposed a black-out on that subject.



President Ford inspects a guard of honour in the uniforms of the Colonial Army at Lexington, Massachusetts.

## Redcoats and Minutemen give battle again

From Peter Strafford  
New York, April 20

Thousands of people poured into Lexington and Concord, Massachusetts this weekend as Americans began celebrating the 200th anniversary of the events which led up to the Declaration of Independence.

In Lexington yesterday they watched the first exchange of fire with the British, when redcoats sent out from Boston confronted the local citizenry and left eight of them dead. In Concord they saw the bigger battle later in the day between the British regulars and the American Minutemen.

Meanwhile, a latter-day Paul Revere, in the person of Mr Dino Di Carlo, a contractor, aged

61, was riding on horseback along the road from Boston to warn the local people of the British approach. He arrived rather late this time, because he had set off in daylight rather than ride through the night. But this was put down to the exigencies of modern times.

The commemorations in Lexington and Concord were the first, big event in the bicentennial celebrations. They will be followed by many more this year and next, as Americans put on the clothes and the uniforms of the colonial period, and relive a time which is still fresh for them.

Yesterday in Concord, there were whole companies dressed in the uniforms of colonial

militia, as well as cadets from West Point and the Naval Academy at Annapolis.

For many it is a relief to look back from the present to the glorious days of the eighteenth century, now that time has clarified and simplified the issues that they faced then. For others, particularly among young people, it is a time to revive the revolutionary spirit of the past.

There was in fact a counter-demonstration in Concord yesterday when President Ford arrived to take part in the ceremonies there. Several thousand young people, who had come under the auspices of the "People's Bicentennial", booed and jeered, and shouted: "No

more war". They carried a yellow flag of the early days of the revolution, with a coiled rattlesnake and the words: "Don't tread on me."

Six helicopters flew overhead, and Coast Guard launches moved up and down the river. Speaking from the foot of the Old North Bridge, which was at the centre of the battle of Concord, Mr Ford made a plea for "reconciliation, not recrimination". He spoke of the need for reason, and said: "Reasonable societies, and peoples, do all in their power to reconcile all threats to peace."

But he got a noisy reception from the youthful demonstrators when he spoke of the changes of the past 200 years.

## Clergyman found guilty in bomb plot trial

From Our Own Correspondent  
New York, April 20

Two men, one a fundamentalist minister, have been found guilty in Charleston, West Virginia, of a conspiracy to explode a bomb in a local elementary school. The verdict came at the end of a trial which dealt with a protest movement concerning school textbooks. Sentence will be passed later.

The Rev Marvin Horan, the minister, was one of the leaders of the movement. Like other local people, many of them miners, he disapproved of the books which had been approved for the schools, considering them to be "godless" and "dirty".

## Doubts cast on project to save port of Calcutta

From Our Correspondent  
Calcutta, April 20

A project to save Calcutta port, which is seriously threatened by the silting-up of the Hooghly river, will be commissioned tomorrow as a result of an interim agreement between India and Bangladesh; but experts in Calcutta doubt whether it will make much difference to the river's navigability between the port and the sea.

Under the agreement, reached in Dacca last Friday, water from the Ganges, contained by a barrage at Farakka just before the river flows out of West Bengal into Bangladesh,

will be diverted by a feeder canal into the Hooghly at a rate of between 10,000 and 15,000 cusecs (cubic feet per second) during the next six weeks.

However, the Farakka project was designed to divert 40,000 cusecs of the Ganges dry season flow of about 50,000 cusecs. The operation beginning tomorrow will be a trial at which observers from Bangladesh will be present.

Despite continuous dredging, ships with draughts of more than 26ft cannot enter Calcutta port.

Bangladesh maintains that the diversion of 40,000 cusecs of Ganges water would ruin its economy.

## Race protest at swearing in of President

Cape Town, April 20.—Several members of South Africa's Coloured (mixed race) Labour Party boycotted yesterday's swearing in ceremony for Dr Nicolaas Diederichs as the republic's new State President as a protest against segregated seating arrangements.

In his inaugural address, Dr Diederichs, who is 71, said of race relations: "However much we welcome the good advice of others, the solution will eventually have to be found and implemented by us."—Reuter.

## US worried about export of nuclear materials

By Pearce Wright  
Science Correspondent

The United States is trying to clarify its position on the export of enriched uranium and other nuclear materials, before the start today of an important conference on atomic energy in Paris.

Because most atomic power stations in the west depend on America for nuclear fuel, the issue is of great importance to governments seeking alternatives to their oil-fired electricity generating plants. Acknowledging some con-

fusion after a decision last month to suspend licences for supplies of fuel and reactors, the Nuclear Regulatory Commission in Washington has said the United States has not imposed a ban on the shipment of material.

The decision temporarily to suspend new licences was related to the discovery that 200lb of highly toxic plutonium had been flown to New York under a licence granted by the commission.

The United States exports to 29 countries

## Solzhenitsyn friend has home searched

Moscow, April 20.—Political police of the KGB carried out a 29-hour search at the home of one of Mr Alexander Solzhenitsyn's friends, according to dissident sources today.

The sources said the police confiscated a card index containing names of the relatives of political prisoners from the home of Mr Alexander Ginzburg. They also took foreign medicines destined for the prisoners.

Mr Ginzburg was appointed by the edited writer to distribute part of his earnings.—UPI.

## Guerrillas murder tribesmen in Rhodesia

From Our Correspondent  
Salisbury, April 20

Guerrillas in Rhodesia's northern border area have murdered more tribesmen and abducted others, a Government spokesman has disclosed. In the Kaonde tribal trust last week a gang shot three blacks, killing two and seriously wounding another.

More than 200 black civilians have died in the border violence which started two and a half years ago.

In another incident last week guerrillas abducted 11 blacks in the northern Matabelan area. Seven managed to escape. On April 11 in the same area guerrillas stole a research boat belonging to the University of Rhodesia and abducted the boat's black coxswain and man accompanying him.

The commander of the Rhodesian Army, General Peter Wall, has praised the country's black soldiers. He said at the weekend in a speech that the Rhodesian African Rifles had killed more than 230 guerrillas and captured many others during the past nine years. The regiment has won several of Rhodesia's highest bravery awards.

A white backlash among Rhodesia's white population at the prevailing prospect of black government was reflected on Friday night in Salisbury when more than 700 people attended a meeting of the Southern Africa Solidarity Congress (Sascon), a group which was formed in Pretoria last November with the object of preserving white culture, heritage and political dominance in Southern Africa.

Washington, April 20.—Dr Kaunda, the Zambian President, said today he was happy with the stand of President Ford and Dr Kissinger, the Secretary of State, on the question of white dominated southern Africa.

Dr Kaunda had talks with President Ford and Dr Kissinger at the State Department and White House yesterday.

At a White House dinner last night he called on the United States to support black Africa's attempts to achieve majority rule in southern Africa and asked if America's principle had changed since it supported anti-colonialist movements 11 years ago.

Dr Kaunda said today his remarks had been addressed to the American public in an attempt to persuade it to support the Administration. He believes the Administration is ready to move, he said.—Reuter.

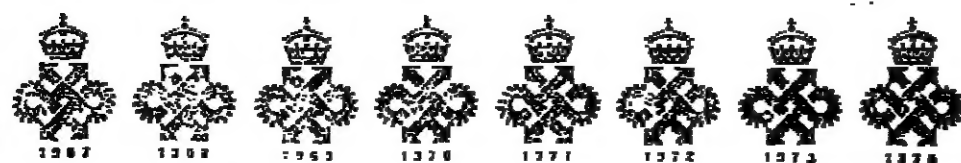


# another addition to an impressive line up.

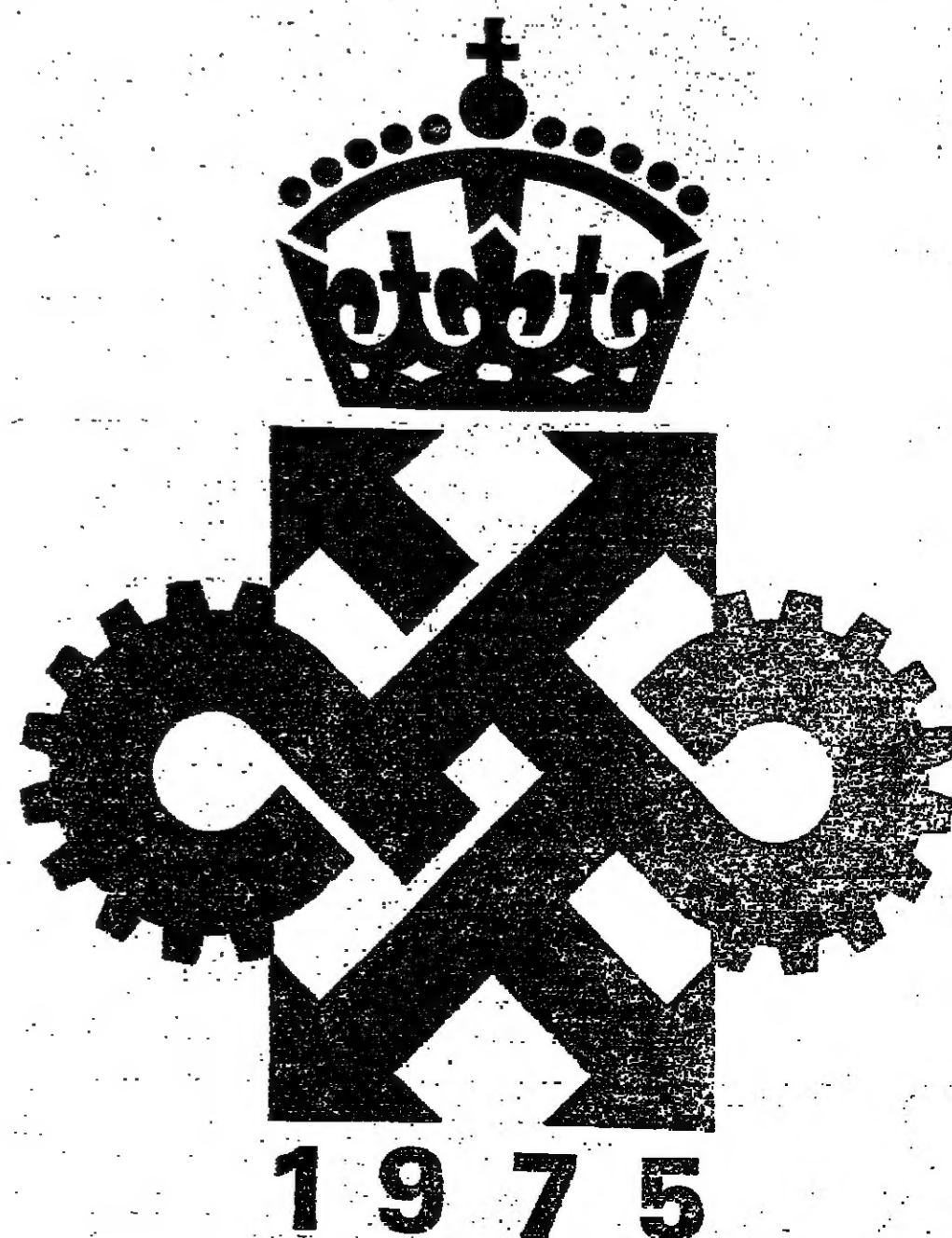
Shorts of Belfast is proud to record the receipt of its eighth Queen's Award to Industry—which has been won by the company's aircraft division for outstanding achievement in exporting. Of the seven other Queen's Awards received by the company since 1967, six were for export achievement and one for technical innovation.

**SHORTS**

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THE QUEEN'S AWARD TO INDUSTRY

































## Why do we make such a fuss about the EEC?

Almost six years as *The Times* correspondent in Bonn and Brussels, just ended, have convinced me that British politicians grossly overstate the case for and against membership of the European Community.

For its original members, the EEC has become a rather negative phenomenon. It is accepted as a fact of life which is on the whole beneficial. But its collective performance is often considered disappointing. Its affairs often inspire boredom and impinge forcibly on few sectors except agriculture. They arouse little emotion even in national parliaments, which have survived the EEC's modest inroads on their sovereignty without any loss of vitality.

There is, on the Continent, a general inability to understand why British politicians, with plenty of far more pressing problems, should devote so much energy to the EEC issue. The EEC is there. To belong is, nowadays, sensible but unexciting. Not to belong is perverse. Like enjoying playing football without being prepared to play in a team. With or without the British, the EEC will still be there.

Above all, the European community is a fact of international life, and is now recognized as such even by the Kremlin. As a political and economic factor it looms larger to non-members since the accession of Britain, Denmark and Ireland more than two years ago. It has helped keep the peace between age-old European adversaries, and has promoted the freer flow of goods and people between them. It represents the only hope of Europe making its voice heard in any dialogue with the superpowers and the increasingly unified producers of primary products. It is, in short, the best form of European co-operation we have got.

The key argument of the British anti-marketters seems to be in essence: "The British way is best, and above all the most democratic way. We don't want to be shoved around by a lot of foreigners." Given Britain's history, the mixed blessing of its separation from the continental mainland and, above all, its long freedom from invasion and defeat, this is a very natural attitude. For the better of all people, Britain remains a very pleasant, easy-going island sometimes unduly tidy place to live. Its people remain more kindly and considerate than the European average. Its policemen remain less trigger-happy than those of its continental colleagues. And it continues to be a pleasant place not to need an identity card.

But is the British form of government better and more democratic? Or do we, in fact, have a good deal to learn from those who, at least until the referendum result, remain our European partners?

Take West Germany, for example. No need to point out that the federal republic has, like most other western nations, a vastly more democratic electoral system, in which the number of seats won by parties is closely related to the number of votes polled, in a form of proportional representation. Coalition governments, so sacred in Britain but the norm on the Continent, promote continuity and discourage the polarization of the two main parties.

Of course, the federal republic had the sovereign advantage of being established from scratch as a model democracy by the victorious western powers. By choosing Bonn as its temporary capital, Dr Adenauer unwittingly increased the democ-

ratization desired by the allies. Britain, and France too, are horribly, underdemocratically centralized, their capitals sucking up the cultural and economic vitality of the provinces. Cities like Munich, Stuttgart, Hamburg, Dusseldorf and many much smaller ones have an enviable concentration of talent in all fields.

Even more important, the destruction of the war and the flooding in of millions of refugees from all conceivable backgrounds from the east produced, if not a classless society, one at least in which both individual effort and teamwork visibly paid dividends.

The Germans do not make the mistake of thinking that parliament is the sole fount of democracy. The bureaucracy is relatively open: civil servants are happy to give serious journalists a serious briefing, and the media are generally deemed to deserve frank and open treatment by those in government. The mine-sown border of East Germany stands as a telling reminder of the value of freedom.

The virtues of the French style of government are less obvious, but not negligible. Those supremely able, though often arrogant, French civil servants have a gift for concentrating the minds of their political masters on medium and long-term projects. The French way is to set a target and to achieve it: witness the current systematic reorientation of French exports towards the oil-producing countries. The French way is often not particularly democratic way, but the effectiveness and quality of its civil servants is undeniable.

Nor can the British afford to sneer at the Italians. The astonishing energy and entrepreneurial flair of Italy's small and medium-sized exporters is even now helping to transform the country's balance of payments situation. The machine tool industry is one of the healthiest in Europe, and the Italian flair for design, like the Danish, could profitably be followed by British industry. As for Holland, it is, in many ways, a model democracy, pulsating with genuine political debate and social experiments, its people blending a teutonic respect for order with a British taste for imaginative leisure.

Why are British anti-marketters so reluctant to enrich their lives by closer association with their European neighbours? Why have they made membership such a life and death issue when Britain's real problems (as seen from the continent: industrial relations, under-investment, productivity, reliability in fulfilling contracts and so on) are elsewhere?

In many cases the answer lies, no doubt, in a genuine unawareness of what life is like on the Continent in the mid-1970s. Some are, perhaps, still scarred by wartime memories. Others are reluctant to face the possibility that the federal republic has, like most other western nations, a vastly more democratic electoral system, in which the number of seats won by parties is closely related to the number of votes polled, in a form of proportional representation. Coalition governments, so sacred in Britain but the norm on the Continent, promote continuity and discourage the polarization of the two main parties.

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Roger Berthoud

## Colonel Gaddafi maintains contact with republicans and loyalists

# The role Libya sees for itself in the Irish struggle

The nature of the struggle seems to be of less importance than the fact that it exists, and officials compare the IRA with the PLO

Tripoli, April 20  
On March 15, 1973, Captain Hans-Ludwig Fleugal, master of the 289-ton Cyprus based coaster Claudia, watched from his ship's rail as nine soldiers in uniform of the Libyan Army staggered across the Tripoli docks under the weight of five tons of arms and explosives.

The weapons, including Russian A47 service rifles, were loaded into the Claudia's hold—ironically only a few hundred yards from where the Union Jack fluttered over the British embassy on the Tripoli waterfront—under the eyes of Mr Joe Cahill, one of the Provisional IRA's Army Council from Dublin. In the hour after-noon, when Mr Cahill aboard, the Claudia chugged out into the Mediterranean, escorted by naval vessels of the Libyan Arab Republic on the first stage of its highly illegal voyage to Ireland.

That, at least, is Captain Fleugal's account of the start of the Claudia affair, and is remarkable because it is the only eyewitness evidence to be made public of Colonel Gaddafi's involvement with the IRA. British submarines apparently shadowed the Claudia all the way to Ireland where, two miles off Helvic Head in Co Cork, she was

stopped by minesweepers of the Irish Naval Service. The incident prompted a brief flurry of diplomatic protest—the Irish representative to the United Nations asked for clarification from his Libyan opposite number—but there the matter seemed to be left.

Then, about six months later, the Provisionals in Ulster suddenly began using rocket launchers, not old wartime stock but up-to-date RPG-7 bazookas manufactured in the Soviet Union. Army Intelligence came to the conclusion that they came like the Claudia's cargo from Libya. The Army sent samples of dust and sand found inside one of the launchers to scientists of all the leading petroleum companies in Britain in the hope that the mixture of earth could in some way be geographically identified. But the petrol companies could not help.

The British conviction that Colonel Gaddafi was—and still is—supplying guns to the IRA rests, therefore, not so much on substantial evidence as on the remarks made by Colonel Gaddafi since the Libya revolution in 1969. In 1972, for example, he said that his country was giving weapons to the Provisionals and on eight later occasions Libya's leader announced his support for

"revolutionaries" in Ireland. Last November, Major Abdul Jaloud, the Libyan Prime Minister, told a conference in Kuala Lumpur that Libya was backing the Provisionals, and in the following months Colonel Gaddafi said it again in Malta.

The rhetoric about Irish "freedom fighters" was repeated this weekend when 16 members of the Irish Dail and Senate visiting Libya were entertained in Tripoli and Benghazi by Colonel Gaddafi's government. Since they are members of the three main political parties in the republic, the 15 men and one woman (the Senate's deputy speaker) are elected representatives of the Irish people, yet they had to listen to Mr Ahmed Shabari,

an official of the Arab Socialist Union, telling them over lunch that Libya supported "liberation forces" in Ireland.

The most important immediate question, however, is just how seriously the Libyans should be taken when they make statements of this kind. It is not understood by those who see support for the IRA or any other group solely in terms of firepower. The Libyans, as the Irish have found out this weekend, are fascinated by the anti-colonialist struggle in Vietnam, in Ireland, and, of course, in Palestine. The nature of that struggle seems to be of less importance than the fact that it exists, and officials in Tripoli have been able effortlessly

to compare the IRA with the Palestine Liberation Organization.

Such emphasis reached a focal point of largely unpublicized fantasy last December when Colonel Gaddafi actually gave his support to what he called the "freedom fighters" of the Scottish Nationalist movement.

All inquiries about the nature of such support are met with silence. When I placed a formal request with the Libyan Government two days ago to discuss aid to the IRA, it was met with a discreet invitation to discuss Libya's cultural development with the Minister of Industry.

There is every reason to believe that Colonel Gaddafi, while he probably has not the slightest interest in British policy in Northern Ireland (save that it is "colonialist"), is obtaining a pretty shrewd idea of what is going on in Ireland. His officials are spending equal amounts of time with each delegation, whether it be para-military and Protestant or elected and largely Catholic Irishmen who come to Libya. Mr Eddie O'Donnell, the young Irish civil servant in Colonel Gaddafi's ministry, says the Libyans are just as interested in emergent Protestant national-

ism as he is in republicanism. This is why both Sinn Féin and the UDA were asked to come to Libya.

If Libya's interest in Ireland is largely a philosophical one and its "support" is moral rather than physical, there is a genuine and sustained interest in Ireland because it seems, in however vague a form, to represent for the Libyans a larger world struggle. No amount of explanations from the Irish MPs alters that. Nor will any attempts by the Irish to see similarities between their own country and Libya.

Colonel Gaddafi almost certainly did order those guns to be loaded aboard the Claudia, but it was probably a token gesture to show that Libya, too, could play its part in a world struggle. So the contacts with all groups will be kept up.

In fact, a few days ago a letter arrived in Tripoli from the UDA in Belfast. It was sent to the UDA's contact man in the city and passed on to the attention of Mr Shabari and his colleagues. It was a request by the para-military men in Belfast to come back for another visit. They are likely to get their invitation in a few days' time.

Robert Fisk

## Extra money should go to MPs instead of the party machines

It has come as no surprise to learn from the Crossman Diaries that civil servants enjoy a great deal of power. It was, after all, the secretary to the Cabinet, Sir John Hunt, who tried to prevent publication of extracts from the diaries by the *Sunday Times*. This we are asked to believe, without any political instructions from above. What is not generally realized is that, since the war, the civil servants have almost invariably been paid more, sometimes a great deal more, than their political masters.

In 1937 Cabinet ministers were all paid £5,000 a year, except for the Prime Minister and the Lord Chancellor, who received £10,000 a year. For some Cabinet posts £5,000 a year had been paid for the best part of a hundred years; other Cabinet posts, such as that of Lord President of the Council, for example, attracted much smaller salaries of £2,000 a year. In 1937 Cabinet ministers' salaries were made uniform at £5,000 a year while permanent secretaries of government departments received £3,000. At a time, therefore, when taxation was low and prices were also very low a Cabinet minister as Duff Cooper wrote in *Old Men Forget*, could live the life of a very rich man and even permanent secretaries were, by the standards of today, very comfortably off indeed.

The salaries of Cabinet ministers remained at £5,000 a year until 1964; those of senior civil servants increased from time to time and permanent secretaries' salaries overtook those of political masters in the late 1950s. By 1964 a permanent secretary was drawing £3,000 a year. In the same year the Lawrence Committee, set up under the Conservative government, recommended that a Cabinet minister should be paid £12,000 a year, thus re-establishing the lead of the minister over the permanent secretary nearly as large as that which existed before the war. The recommendations of the Lawrence Committee, however, were not accepted in full by the new Labour government. It was decided that, owing to the economic situation, Cabinet

ministers would receive only half the £7,000 increase recommended by Lawrence. By the end of 1964, therefore, Cabinet ministers were ahead of their permanent secretaries by a mere £500 a year and this is the last time they were in the financial lead.

By 1970, permanent secretaries, who had received regular increases in their salaries, were being paid £14,000 a year, and the Head of the Home Civil Service was drawing £15,000 a year, yet Cabinet ministers (except for the Lord Chancellor and the Prime Minister) were still only receiving £8,500. The Prime Minister was getting £14,000 a year, and the first £4,000 was paid free of tax (a concession granted by the Attlee government) and the Lord Chancellor £14,500. Once again, the politicians had fallen severely behind the civil servants.

In 1970 the Conservative government set up a committee under Lord Boyle to consider ministerial and parliamentary salaries. For the first time a governmental salary review body recommended that a Cabinet minister should be paid less than a permanent secretary.

From 1972, Cabinet ministers were paid £13,000 (against £14,000 for a permanent secretary) although for the first time they were paid, they sat in the House of Commons and received a parliamentary allowance of £3,000. From 1959 until 1964, my first five years in the House of Commons, MPs were paid £1,750 a year and I was allowed by the revenue £1,500 of this as legitimate expenses. One can take it that necessary parliamentary expenses must have more than doubled between 1959 and 1971. On January 1, 1975, the Boyle Committee awarded the Head of the Home Civil Service a permanent salary of £18,675, and permanent secretaries £14,000. These increased salaries were paid immediately. On January 1, 1976, stage two of the Boyle Committee award comes into effect when the Head of the Home Civil Service will receive £23,000; permanent secretaries will get £21,000 and deputy secretaries £15,000. Cabinet ministers still receive only £13,000, except for the Prime

Minister who gets £20,000 (£4,000 tax free) and the Lord Chancellor who also gets £20,000. Not only will Cabinet ministers receive £8,000 a year less than their permanent secretaries, but they will get £2,000 a year less than their deputy secretaries. Civil servants also receive pensions, which Cabinet ministers, except for the Prime Minister and Lord Chancellor, do not. The pension for a former Prime Minister is now fixed at £7,500 a year, whereas that of a permanent secretary will be, after January 1976, approximately double. The situation is clearly absurd, and reveals all too obviously why Harold Wilson, George Brown, Richard Crossman and others have written their memoirs. The salaries of ministers of the Crown should be subject to the same reviewing process as that of senior civil servants, the review should be carried out by the same body, and Cabinet ministers should be paid more than their permanent secretaries, if only because they receive no pensions and they hold office through the will, or even the whim, of the Prime Minister of the day.

Since 1937 the Leader of the Opposition has been paid, originally the salary was £2,000; now it is £9,500, plus the parliamentary allowance of £3,000. The leadership of the Opposition is a full time job. Although the costs of the private office of the Leader of the Conservative Party are met from party funds when in opposition, the Labour Party leader has to bear most of the cost himself. This either means that he has to earn a sizeable sum, for which Harold Wilson was most unjustly criticized, to maintain the smallest staff, compatible with efficiency or just let efficiency go. It is again absurd that a possible future Prime Minister, or ex-Prime Minister from 1966 to 1970, and Edward Heath from 1970 to 1974, should be paid less than a medium grade civil servant.

The Boyle Committee provided that, for the first time, the Opposition Chief Whip and two other Whips should be paid (excluding the parliamentary

allowance) £7,500 and £4,000 respectively. The Opposition Chief Whip, therefore, receives only £2,000 less than the Government Chief Whip (Mr Mellish is, exceptionally, in the Cabinet and draws a full salary of £13,000), and the two Opposition Whips who are paid receive the same salaries as their government counterparts, although about a dozen of the latter are paid. Opposition salaries have created further injustices. Nobody would, I imagine, query the right of the Leader of the Opposition to be paid. Indeed, I have argued that the payment should be considerably more. But what possible justification can there be for paying the Opposition Chief Whip £7,500 and two of his subordinates £4,000 (all excluding the parliamentary allowance of £3,000) and not paying the Leader of the Liberal Party who represents almost six million voters, and things at all apart from his salary of £4,500 as a backbench MP?

Parliament has recently voted for political parties to be subsidized by the taxpayer. I see no justification for such a proposal, which is likely to make the national political organizations of the parties more powerful. The behaviour of the Conservative Central Office in vetoing certain prospective parliamentary candidates shows the undesirability of such a powerful political machine.

Cabinet ministers should be paid properly, so should the Leader of the Opposition and the Leader of the Liberal Party and, if necessary, some Whips. The proposal to pay the Opposition Chief Whip £7,500 and two of his subordinates £4,000 (all excluding the parliamentary allowance of £3,000) and not paying the Leader of the Liberal Party who represents almost six million voters, and things at all apart from his salary of £4,500 as a backbench MP?

Humphry Berkeley

## Gloomy outlook for housing plans

Landlords are selling up or turning to subterfuge to evade the law

Broadly speaking, the goals were to promote the "municipalization" of rented property by making it difficult for private landlords to encourage the renovation of older houses particularly in large cities, instead of the extravagant and often socially disastrous comprehensive redevelopment schemes which have predominated for the past 20 years; to repeal the "fair rents" for council tenants introduced by the Conservative Government; to expand the housing stock by encouraging private housing construction; and finally to put an end to property speculation by bringing all development land into public ownership.

But almost immediately the Government found itself confronted by a mortgage famine and a deep recession in both public and private house building. Council programmes responded fairly quickly to stimulation and, with the building societies once more in a healthy position after needing emergency assistance, Mr Reginald Freeson, Minister for Housing, thinks the crisis of confidence is over.

But the number of starts in the private sector is only just beginning to improve, and there is still a long way to go. The 1973 situation with too many mortgages chasing too few houses.

Elsewhere the situation is confused and gloomy. After months of being exhorted to acquire houses from private owners and renovate and adapt them for council tenants, local authorities were staggered last month to learn that rehabilitation grants were to be drastically cut. Since new building programmes were not affected, the Government appears to be flatly contradicting itself.

Mr Anthony Crosland, Secretary of State for the Environment, replied that too much was being spent on modernizing pre-war council estates and

not enough on recently acquired older properties. Several London authorities say that is nonsense, and that council tenants are often much more likely to turn down council flats in Camden or Islington into modern flats.

Even Labour-dominated councils, moreover, have doubts about the Government's commitment to abolish privately rented accommodation altogether. With allegedly unrealistic controls on rents, landlords are either selling up or resorting to subterfuge to evade the law. Single people and children could have no priority on council waiting lists, and Mr Freeson's talk of extending co-ownership schemes and tenants' co-operatives are irrelevant to the needs of the large transient populations of most cities.

Paradoxically many local authorities have intervened in a replacement of "fair" rents by "reasonable" rents as meaning that there should be no rises of all in the near future. Their political motives are understandable, but at a time when rents are rising, and when subsidies have been slashed in the Budget, they seem a little shortsighted.

The larger authorities, notably the Greater London Council, have not the ability to raise capital, either from Government loans or on the market, has been seriously jeopardized.

Mr John Silkin, Minister for Planning and Local Government, has given notice of the Community Land Bill, of which he is the chief architect. Will go ahead on schedule. But its enactment may well coincide with the day that councils finally run out of money.

John Young

## The Times Diary

### Protecting endangered vegetables

We hear much about the need to preserve rare species of animals, birds and flowers. Indeed the House of Commons spent much of last Friday on legislation to protect the Lawrence Hills, director of the Henry Doubleday Research Association at Brintree, wants to see equal concern lavished on the preservation of rare species of vegetables.

"These are in far greater danger than any fish or osprey," he says. The specific object of his present concern is rape kale. This asparagus-like vegetable, regarded as the nicest of the rape kales, is, he says, down to its last few packets. (It looks like kale and tastes something like asparagus.) Other varieties—and he lists eight—are thought to be extinct though there have been reports of occasional sightings in corners of remote gardens.

The kales, says Hills, are specially rich in vitamins A and C. Moreover, some appear to carry chlorophyll resisting genes which it would be beneficial to breed into the cabbage family. Yet none of these lists appears on the national or EEC lists of approved vegetables, so seedsmen who breed them and sell the seed could be fined up to £100.

"Britain as well as Europe is therefore destroying her heritage of hardy vegetables from the past with the recklessness of Frenchmen and Italians shooting wild birds," says Hills, a bit chauvinistically. He wants a campaign to save the kale as there is one to save the whale.

The Ministry of Agriculture knows all about Hills' campaign. He has met officials from the ministry's Plant Variety Rights Office in Cambridge, to discuss the kale question. The Ministry lays down cer-

tain conditions for including vegetables on its approved list. One is that they should be of distinct varieties which consistently reproduce their characteristics. And another is that they should be varieties which are still marketed.

In the case of rape kale, the Ministry spokesman said that the eight varieties listed by Hills were introduced in the nineteenth century and were superseded in 1935 by Hungry Gap, a more prolific variety which can be seen in July and is the last to run to seed. Hungry Gap does appear on the approved list.

Regarding asparagus kale, the Ministry spokesman said that it was considered and seemed almost to doubt its existence. "We don't know whether it's a type or a variety," said the official. "And we don't know whether it's a proscribed species. We told Hills he could continue to sell the seed if he's got any of it."

Meanwhile, Hills wants to hear from seedsmen, plant breeders and gardeners who are interested in helping him start a vegetable sanctuary as a refuge place for varieties which, according to the Ministry of Agriculture's stern criteria, have ended their useful life.

### Diarist

Publishers looking for an original idea might glance towards the diaries of John Ford Garry. In one of his rare interviews the 82-year-old millionaire disclosed at the weekend

that he still writes down what happened today and what should happen tomorrow. The occasion for this confidence was a press summons to Sutton Place, his Elizabethan mansion in 1,000 acres of Surrey countryside, to hear about the £20,000 prize he is giving to the individual making the greatest contribution to saving wildlife.

Garry is a frail old man and at times he appeared almost too exhausted to get to the end of a sentence. He was unable to accept a suggestion that the activities of his oil and commercial empire could have been a contributing factor to the decline of wildlife. He said: "I don't think business has got anything to do with wildlife. Animals deserve a break, as they cannot speak for themselves."

### War games

The American War of Independence, the Battle of Waterloo and the Second World War were just a few of the famous engagements fought out at Chelsea town hall on Saturday. It was the annual open day of a South London WarGames—a military modelling and wargaming club.

War games have been around a long time. Wooden models were discovered in Turin, Italy's tomb, chess is a Chinese version and Frederick the Great's Prussian put his figures to practical use demonstrating tactics to his soldiers. Today there are over 50,000 enthusiasts in clubs across the

country, whose members include barristers to dustmen, according to the South London chairman and exhibition organizer, Mrs Symes, a postman.

The battles are fought—wargamers always fight, never play—with scaled down models on a diorama, a three dimensional model of the battlefield. Many devotees spend hours singlehandedly painting the figures and scenery, and Symes said many preferred this to the actual fighting.

There was a cup for the best display and by lunch time the Battle of Frazar's Farm was in progress for the prime. Here British and American troops fought the war of Independence on either side of a river of varnished perspex with rock and reeds sprouting from its depths.

Other contestants included an allied defense of a Normandy village, with realistic burnt-out cottages, a group of Carthaginians mounted on elephants challenging Assyrians in ex-drawn chariots and even some fictional warfare from the Lord of the Rings.

Players are not permanently hooked in history books following pre-ordained moves since battles do not necessarily have to come to an historically accurate conclusion. As one war lord explained: "Napoleon could easily win a Waterloo after all, it was a close run thing." The games are decided by dice and a set of rules.

Mingling with the public were a number of real life models like Prince Rupert's Blunderbuss, splendidly attired in turquoise velvet doublets, black breeches, stamets and tawny plumed hats. They are a royalist regiment belonging to the nation-wide Sealed Knot, who fight the Civil War and last July laid siege to the Tower as part of the Festival of London.

## LOVE DOWN THERE TO GO

This headline is remarkable for being one of the few recorded attempts at humour in *Red Weekly*, the stern organ of the International Marxist Group. Purists might discern a touch of humour in the play on funny foreign names.

## Understanding

What are we to make of the award of OBE to Joseph Fromm, a former London editor of *US News and World Report*? During the last election he wrote an apocalyptic article wondering whether Britain was "going down the drain as a nation." Many Britons, he reported, were "debating the role of the armed forces in what they call the coming crisis of authority" and there was a danger that the Labour revolution would surge completely out of control.

Fromm's OBE was announced in Washington last week. The citation says it is "in recognition of the valuable contribution which he has made to Anglo-American friendship and understanding."

## Dressing up

The sun shone for England yesterday, the closest Sunday to St Patrick's Day, as Dr Frank Hansford-Wild, in his 70th birthday year, launched a Save England Crusade in Trafalgar Square. The first step on the road to national salvation was to choose two national costumes—one for men and one for women—and there were a dozen or so entries for a fancy

dress parade organized for this purpose.

Hansford-Wild wore a floppy, red mob cap, a red cloak, and a green tunic of medieval cut and leggings which gave him one blue foot and one red foot, one yellow leg and one leg in a Fair Isle pattern of maroon and green.

Others had availed themselves of changing rooms at the Charing Cross Hotel rather than make the journey to Trafalgar Square in national regalia. Two art students from Bournemouth wore simplified Easter costumes in blue and gold, to symbolize the monarchy. Another matching couple had elegant Plantagenet costumes in green and white.

A schoolgirl called Zoe said all her family had helped with her green Elizabethan dress made out of things at home. A woman with a Yorkshire terrier said her brown gown was made out of curtains.

The audience enjoyed it, though the English seemed to find it funnier than the foreigners. "It is terrible," said a German, "that all these costumes are so historical. We are always looking back in this country, never forward. My friend, you will not find us wearing *Ichthusen*—if the time, believe me."

The Abajumi Company from Uganda, who open in the World Theatre Season at the Aldwych tonight, are upset because British customs have ripped apart their principal prop, a valuable 70-year-old drum which stands five foot high and is made of butter-soaked gut and cowhide. An Aldwych spokesman said they were probably looking for drugs, but my guess is that they were after small illegal immigrants.

PHS

# Dewar's

of Scotch Whisky fame are proud to announce that they have received for the fifth time this coveted award for export achievement.



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**The squeeze on liquidity could be at an end, page 19**

## Authi jobs safe, Spain tells BLMC delegation

WHEAT GOOD HAS IT DONE YOU, MCCARRY?

NO! I'M RICH: FOR A CHECK YESTERDAY FOR AN EXTRA INCOME OF £1,958 PA THE TAX DEDUCTIBLE AT MY

HAPPY RETIREMENT GRAND (MCCARRY)

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# Management

## Changes possible despite engineers' resistance to union involvement

Although the Council of Engineering Institutions, which looks after the interests of Britain's top-tier chartered engineers, still sets its face officially against direct involvement in any trade union style of activity—particularly fixing of salaries—changes could be on the way.

More than one senior member of the leading institutions is now saying privately that the time has come for professional organizations to stop being shy of this issue. At least one senior institution might well back the idea of an agreement for members to be represented by the Association of Scientific, Technical and Managerial Staffs (ASTMS).

The CEI, which is in the thick of discussions over its future organization, is looking to an extension of personal services to members, although stopping well short of negotiating individual or block salary agreements.

But in the last year there has been much grass-roots opinion in favour of greater intervention in such areas and Professor John Coates the CEI president feels that the whole question demands "serious discussion".

He commented: "A lot of the younger engineers particularly feel strongly about this. It is not something one can ignore."

Moves in the direction of ASTMS would of course be welcomed with open arms by Mr Clive Jenkins that union's general secretary. There are still reverberations booming from a broadside he launched to a Newcastle under Lyme audience of members of the British Computer Society recently.

His basic thesis was that a professional man could have two needs. One was as a professional person bound by a code of conduct, and in that area he should look to his professional organization. The other could be as an employee, and there only a union could unambiguously deal with questions of pay and conditions.

Mr Jenkins then lambasted "self-styled professional trade unions" like the United Kingdom Association of Professional Engineers (UKAPE) and the Association of Professional Scientists and Technologists (APST). He regarded them as quasi-unions because they arose in response to conflicts between professionalism and the employment situation where there was conflict in the employer/employee relationship.

He added: "They provide a good example of how not to resolve that conflict. The result is a peculiar hybrid which is neither one thing nor another, and as such may easily degenerate into being nothing more than a tool of the employer for use in his man-management policies."

Among engineers in fact an alternative policy to an ASTMS agreement which is being discussed informally is one of concentrating more support behind UKAPE. The problem there is that at present they deal only with chartered engineers' interests and that they have so far been loath to contemplate the ultimate weapon of strike action even though under their constitution it is not completely outlawed.

A much sharper line has been observable at APST in the last few months and they have been totting up quite a few collective bargaining agreements with companies both large and small, many in the chemicals field.

It is beginning to look as though they cannot be dismissed as lightly as Mr Jenkins would like, two recent disputes having been resolved by a combination of recourse to tribunals and backing by members.

APST membership doubled in the wake of the Industrial Relations Act, rose by another 50 per cent in the past year and now stands well over 5,000.

Obviously the greater the membership, the greater the muscle, but there is also the factor that when members occupy key positions, as in APST, they often do, their potential disruptive value is disproportionately great, compared to shop-floor trade unions.

There is even informal talk within APST of joining the TUC 8000 ICI middle managers in what is known in the company as the "blue book" sector and where no union is so far fully recognized.

For good measure over the weekend APST produced this riposte to Mr Jenkins' Newcastle under Lyme attack: "The ultimate sanction must of course be the withdrawal of services

## Executives' abilities are not being fully utilized

British managers work as many hours as their opposite numbers in the United States, but in too many cases their talents are not being adequately utilized.

This is one of the facets of British business life to emerge from a study of managers' work conducted by Harry L. Hansen, who is the Malcolm P. McNair Professor of Marketing at Harvard Business School. The study is based on interviews with 175 managers and on a questionnaire of about 100 pages which was sent to 425 executives. Professor Hansen notes that his sample is biased "towards the more successful managers employed by larger and more successful companies who are major competitors with large market shares."

Even so, the respondents felt their companies were achieving only about 60 per cent of optimum performance when measured in terms of earnings per share or in taking advantage of growth opportunities.

Perhaps in part this is explained by Professor Hansen's finding that "too much of British management is likely to be underemployed because it is not asked to put all its talents to work upon the problems of the business. In large part this seems to come about because too many managers view their organizational positions, more like command posts than listening or information-sharing posts."

"Consequently, the flow of relevant information within the firm becomes blocked and accumulates in pools. Some managers involved suffer from glutts of information while others are relatively starved for relevant facts. Both are underemployed because they lack the optimum amount of information for efficient decision making."

The deficiencies of British management are not however the result of lack of effort, because the report notes that the typical manager spends 10-20 per cent of his evening and weekend time working on matters concerned with his job.

Many wider social issues are related to the study. It is thought that only about 35 per cent of British employees were anxious to do a good job. Professor Hansen mildly notes that "perhaps the most striking fact is that a manager's job is not a problem exists."

He also observes that in a country where private capitalism is under constant attack, companies do little to explain the purpose, merits and benefits of the profit system.

This passive attitude is not likely to be enough either now or in the future to aid in prolonging the life of private capitalism. For the manager to eschew ideology whilst his opponents thrive on it is to live in harm's way."

British Managers in the Mirror, available from Advanced Management Programmes International, 129A Sloane Street, London SW1X 9AY, or Binder Hamlyn Fry and Company, 76 Shoe Lane, London EC4A 3JB.

Derek Harris

## Success of the pocket calculator is just one aspect of the microelectronic revolution

Many British companies, it is often averred, are proud rather than ashamed of the outdated machinery in their factories. Mechanical relics are venerated for their age, not thrown out for their inefficiency.

All this and today's depressed investment level can spell trouble in competitive markets where the foreign competition has no such inhibitions. But recent advances in electronics have widened the choice available; the question is not simply whether to invest, but in what.

In the production and testing of electronic components and equipment for example, important developments in automation were discussed last week at the American Embassy in London, on the occasion of an electronics exhibition at the United States Trade Centre.

But the impact of microelectronic technology is not confined to the electronics industry alone. Electronics is certainly a large part of the business of General Electric (USA), but developments in electronic hardware and software are being applied much more widely by that company both in new-product planning and in general factory planning and management.

One aspect of this is the coming importance of microcomputers, solid-state devices which can be programmed to control one process or action according to the input from another source.

Already they are used in weapons and other military equipment, as in the so-called "brain" which does not really think but is programmed to be able to respond to certain stimuli in a manner which could be considered "intelligent".

Industrially the possibilities are immense. At a London "intelligent" seminar, raised not a few eyebrows and doubts, but this is in line with the thinking of General Electric.

These devices would have microelectronic logic which would enable them to carry out certain operations automatically—a scanner could exert a certain torque, a screwdriver could turn a radio circuit—and these operations could be automatically recorded.

This concept could be extended to many types of industrial processes. Sensing, information processing and controlling would all be performed where the action takes place.

"What comes out is productivity," says a senior GE manager. "But it requires industrial investment. If you have a system that creates jobs, then the revolution will pass you by."

Computer-based methods of stock control have been around for many years, and their benefits are presumably known to most managers. But this principle can be applied in much more detail to the movement of stock at all stages of its journey through the factory.

It is essentially a fine tuning of the entire factory operation. Steel stocks might be in the factory for a month and yet be actually worked on for only a few days.

"So we do computer modelling," says the GE manager, "to find out where the bottlenecks are." Once prepared, the model "tells" the plant. Whenever changes or additions are proposed, it is used to determine the effect of these changes.

In one of the company's large-appliance plants, not only was the flow of steel throughput the plant speeded up but the end-product was made and sold before the raw material was paid for.

Thus the model helps the manager to design the plant and to operate it more efficiently. Further, the local microcomputers throughout the plant can then be linked to the computer-based model, whereupon every-

thing—productivity of labour, materials, investment in the plant, being used much more efficiently.

"These days," the GE man says bluntly, "there is no way you can shut the plant down at night and still make money. That plant has got to operate around the clock, but the businessmen has to have a market for all that stuff."

"If he shuts the plant down, he loses a lot of money. You either modernize or die. At their peril do governments make it uneconomic for industry to invest in new facilities."

As for the impact of the microelectronics revolution on the new market of the hand-held calculator which has grown over the past few years is a pointer to the future.

Calculators will become wrist-watch size, computer terminals will become calculator size and domestic electrical goods will be no smaller than they are today.

Already diagnostic microcircuits in refrigerators can indicate to the service engineer the exact location of any fault which develops. This trend towards smaller machines will continue—but humans will still be needed to design and develop them.

Kenneth Owen

## LETTERS TO THE EDITOR

### Indexation of the building society sector

From Mr. Alexander Weinreb Sir, With relentlessly accelerating inflation, the plea for indexation of building society investments and mortgages made by Professor Sandilands (April 8) and, somewhat less cogently, by Professor Pearce and Mr Kregel (April 9), commands attention and support.

The fear of the two last-named economists that one indexation may lead to another "until everything is indexed and the index itself is reduced to nonsense" is unfounded. Indexation is meant to correct the inequities resulting from inflation but does not lend itself to generalized and uniform application.

Nor can it do complete justice to every situation. The business man whose outstanding claims are depreciated but who is more or less compensated by the depreciation of his liabilities does not need redress in the same way as the investor whose loss is irretrievable.

Indexation in the building

society sector should be given priority for two reasons. First, because of the magnitude of the total transactions involved and of the great and politically dangerous tensions which prolonged inaction may cause. Second, because appropriate action should have beneficial effects on the entire problem of inflation including other creditor/debtor relationships.

That indexation will right the grievous wrong now done to building society investors is obvious. But it should also please the borrowers. Leaving aside without any scruples those who hope that inflation will wipe off their mortgages and make them overnight uncumbered owners of properties for which they would normally have had to work for the best part of their working years, I believe that all reasonable and responsible borrowers will welcome it, instead of the present abnormally heavy repayments, they will pay interest at a normal rate (which need not be any more than the lending rate suggested by Professor Pearce and Mr Kregel) and will thereafter pay what in real terms will correspond to what they would have paid in the absence of inflation.

This brings me to the second point. The very fact that the monthly outgoings of millions of people who are both borrowers and wage-earners will be substantially reduced, must ease the pressure for rising wages and thus act as one of the most powerful weapons in the fight against inflation.

Indexation in the all-important building society sector may in combination with other and inflationary measures render indexation in other areas if not unnecessary at least less pressing. It goes to the heart of the problem.

I am, Sir, your obedient servant, ALEXANDER WEINREB, 1 Wentworth Court, Wentworth Avenue, London, N1.

### In praise of VAT collecting Patently unfair system

From Mr P. V. Crossman Sir, I read recently of the hue and cry caused by certain self-employed persons concerning the time and trouble caused them in making up VAT returns, thereby becoming the Government's unpaid tax collectors. This, together with recent allegations against VAT inspectors, must be causing much anguish at the Department of Customs and Excise.

However, as a self-employed person, I would like to speak on behalf of VAT and its administrators on the following grounds:—

1. My business turns over in excess of £50,000 per annum, and I pay VAT returns (required to be completed once every three months) take me no more than two hours to compile, a total of eight hours a year.
2. Admittedly the ease of compilation is greatly enhanced by the use of up-to-date accounts, but surely this is no bad thing. If one is forced by circumstances to regularly watch one's business by keeping up certain records, the information on which day-to-day business decisions are based is more readily available and the

self-employed person is in a much better position to make rational judgments which will increase his profitability.

3. I recently was paid a visit by a VAT inspector who turned out to be a very pleasant, helpful and courteous person, and, far from invading my privacy, came to see me at a time which must have been grossly inconvenient to himself, so that the visit was more convenient to me. Certain of his comments on my business were helpful. It is often very valuable to hear an outsider's viewpoint on the way one runs one's business.

4. VAT actually gives the business owner three months' free play with tax that under the old system of purchase tax he would have paid at the date of invoice, for VAT is paid at the end of every three-monthly period. For someone who has a small business and pays, say, £2,000 VAT a year, this is a worth £30 a year which surely makes the eight hours' worth of form-filling a very lucrative employment at 55 an hour.

PATRICK V. CROSSMAN, 9 The Acorns, Oakhill, Bath.

### Logical question on book postage

From Mr Nicholas Farrant Sir, In his letter of April 14, Mr West, in his defence of the recent increases in postal rates, states that they stem from a policy of the Chancellor of the Exchequer.

Would Mr West's statement be a logical question on book postage could equally logically stem

from another policy of the Chancellor who exempts them from VAT, in recognition of the special position of the printed word in our civilization?

Yours faithfully, NICHOLAS FARRANT, The London Architectural, 7 Ockendon Road, London, S.W.15.

### Industry in the regions

#### Wiltshire's old wool centres still flourish

The little towns of west Wiltshire were once one of the main centres of industry in England. Bradford-on-Avon, was once much larger than Bradford in Yorkshire, and Melksham bigger than Birmingham.

For hundreds of years the wool trade on which the national wealth of England was first founded, was centred here; prosperous wool merchants built the splendid stone mansions and churches which today American tourists come to see; and the noble families they founded still play a dominant part in West Country affairs.

As late as the early nineteenth century Bradford-on-Avon had 30 cloth mills, and Melksham 15. Now all have gone but the towns, more populous than ever—though not swollen to the same extent as their successors in the Midlands and North—still flourish.

Biggest employer in the district is Avon Rubber Company, with a workforce of around 8,000. At its main factory at Melksham it employs 3,300; at Bradford-on-Avon 1,300. As the population of Melksham is 10,000 and that of Bradford 8,400, its importance to the towns is easy to gauge.

Founded 90 years ago to produce solid tyres for trucks and buses, Avon Rubber now enjoys the position of being the United Kingdom's only remaining all-British tyre company.

Tyre production and rubber processing are concentrated mainly at Melksham. At Bradford the arm of the company known as Avon Industrial Polymers produces hoversack kirts, aerosol baskets, automotive components such as radiators, hoses, domestic appliance components, railway pads, golf grips and such agricultural products as animal mats and milking machine liners.

The factory is busy at preparing the world's largest hoversack silt, to be fitted to a huge hoverbarge for transport over theindra of Alaska. Avon Rubber's plantable boots were used in recent Zaïre River expedition.

The company pioneered the introduction of radial tyres in Britain and now exports its technical know-how to a number of other countries. And its output of letsool gaskets—a small but essential component—amounts to one fifth of total world demand.

It also has a satellite which

specialises in the highly technical field of manufacturing products associated with the treatment of kidney disease.

With a turnover exceeding £64m, last year, Avon Rubber shows a pre-tax profit of £1.5m, which was £300,000 less than in the previous year, largely because of the three day week at the beginning of the year and also to the increasing costs of raw materials. Its Industrial Division, based on Bradford, contributed nearly £11m of Avon's total turnover in 1973 and 34 per cent of its pre-tax profit.

Another big industrial establishment at Melksham is the GEC factory, specialising in heavy mechanical equipment. Beginning operations as Spencers, by which it is still often referred to locally, over a hundred years ago, the company became GEC-Elliott Mechanical Handling as a result of extensive mergers which took place in the 1960s.

It has a diverse range of products, under the general heading of plant for the movement, storage and distribution of anything from bulk materials to individual packages.

The company's trade is worldwide. For instance, it is supplying plant for the vast iron ore undertakings in northern Quebec and conveying systems for the tar sands oil extraction plants of Alberta.

It is mechanising package handling systems at yarcely offices in New Zealand and Canada as well as in many cities in the United Kingdom, and it supplies high speed bagging handling equipment to airports around the world.

Millions of tons of cement and other materials pass over plant, designed and built at Melksham, and at the Blue Circle works at Northfleet, Kent. Recently the company supplied conveyor equipment for a new blast furnace in South Wales, the first in the United Kingdom to be charged by belt conveyors.

It has also installed handling plant for grain and sugar, including some capable of discharging grain from vessels into silos at the rate of 2,000 tons per hour, at ports on the Thames and Mersey.

Situated in a fertile, thickly populated farming vale, both Melksham and Bradford have agricultural interests, though their former markets have been lost.

Melksham is the headquarters of the flourishing agricultural trading society, Wiltshire Farmers, formed in 1916, with now about 3,500 members in Wiltshire, South Gloucestershire and north Somerset. In the past two years it has more than doubled its turnover to a total of more than £11m last year.

Extensive quarries for extraction of the excellent Bath stone were once worked at Bradford. In 1913 one of these abandoned quarries, extending over eight acres, was taken by a mushroom-growing company, now Darlington Mushrooms, which still prospers and has about 130 employees. Its annual production is around 10 million pounds of mushrooms, most of which are consumed in the South west and Midlands.

Ralph Whitlock

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INTERIM RESULTS

(Unaudited)

Half-year to 31st January 1975

Year ended 31st July 1974

Turnover 3,114,398 2,303,739 4,338,297

Group Profit before Taxation 253,426 170,224 251,533

Taxation—52% (50%) 131,800 85,000 140,415

Profit after Taxation 121,626 85,224 111,108

Earnings per ordinary share of 5p 2.14p 1.5p 1.96p

An interim dividend of 0.5p (7%) will be paid on 30th May 1975

Shareholders of the equity of the company as at the close of business on 31st July 1974

1974—Interim 0.5p, final 0.4p, total 0.9p (1973—Interim 0.5p, final 0.4p, total 0.9p)

I am pleased to report pre-tax profits for the six months ended 31st January, 1975, of £253,426. This improvement arises from a continuation of the trend mentioned in my statement last October.

If present trading conditions are maintained and there is no unexpected interruption to production, profits for the year should well exceed those for last year. In that event your Board would revert to the dividend level which had been reached for the year ended 31st July, 1973.

G. R. WALKER, Chairman



## CAPE INDUSTRIES

40% Profit Increase in Second Half of 1974

- Group sales in 1974 increased by 16% to a record £81,278,000.
- Second half pre-tax profit was 40% up on the first half, making a total for the year of £4,004,000 (1973 £3,056,000).
- Earnings per ordinary share were 15.0p (1973 16.3p).
- Proposed final ordinary dividend is 3.602p per share, making a total of 5.602p per share (unchanged).

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10 per cent. Convertible Unsecured Loan Stock 1987/90 at £100 per cent.

The Stock has been admitted to the Official List by the Council of the Stock Exchange. Particulars of the Stock are available in the statistical services of Extel Statistical Services Ltd. and Moodies Services Limited and copies may be obtained during business hours up to and including 2nd May, 1975 from:

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Gresham Street  
London EC2V 7AU

### Business appointments

#### Managing director gets top Jardine Matheson post

Mr D. K. Newbould, managing director of Jardine, Matheson, has been made chairman in succession to Mr Henry Kewick.

Mr Gerald Ferris, managing director of Bell & Howell and chief executive of Bell & Howell Europe, was elected director, vice-president of Bell & Howell Co., Chicago.

Mr J. H. Murray has joined the board of the European Investment Trust.

Mr Martin Bell has been appointed group finance manager by Turner & Newall with responsibility for group accounting, the group treasurer's department and group management services. From May 1 Mr Norman Goodwin becomes controller of group pensions and executive services department.

Mr N. R. Harrison has joined the board of Thomson Piper Petroleum, a wholly-owned subsidiary of the British South Associates, parent company to The Thomson Organisation.

Mr Harrison has been financial controller of Thomson Piper Petroleum since its inception.

Mr J. J. Russell has been appointed an additional director as deputy managing director. He is managing director of the company's Australian board.

Mr C. F. R. Anderson has been elected to the main board of Uster Bank. In addition he will be director of the bank's south arm. Mr Victor Chambers is to become director of branch banking next month, when Mr J. W. Grant retires.

From July 1 Mr A. J. R. Purnell will take up full-time duties in Guinness Group Affairs as deputy managing director. He will therefore relinquish the managing directorship of the Guinness (Dublin) Co. on that date. He is being elected a joint vice-chairman (with Lord Moyne) of the Guinness (Dublin) Co. Mr M. Hely-Hutchinson, present deputy managing director of Arthur Guinness Son and Co (Dublin) will become its managing director.

Mr R. A. Tudhope has been made group marketing executive, south, of Continental Shipping and International Shipping.

Mr Dorian is named executive vice-president finance of Occidental Petroleum Corporation.

Mr Edgar Pickering has been appointed a director of Seara Engineering and The Bendley Engineering Group.

Mr Howard Morris has been named as deputy chairman and Dr John S. Randall group managing director of Avaya Group.

Mr G. R. Tyrrell, director and secretary of London and Manchester Assurance, has decided on medical advice to resign from the board and seek early retirement.

Mr D. J. Jones is appointed director and general manager with the additional responsibility as Managing Director of the London and Manchester Assurance Group.

Colonel F. A. Stanley has retired as a director of stockbrokers Williams & Bruce Hill & Co. Mr A. J. R. Izat has also retired. Mr G. J. Wickham and Mr P. F. McDonnell join the board.

Mr A. E. Wippenheimer has been withdrawn as director to be replaced by Mr W. D. Wilson and made director of Anglo American Investment Trust.

Dr John Treasler, chairman of J. Walter Thompson Group, has been elected president of the Institute of Advertising.

Mr Ross, chairman of Ogilvy & Mather who held the office for two years, Mr L. C. Young, chairman and managing director of R & W Advertising was elected honorary secretary and took over from Mr Rodney Millard, chairman and joint managing director of Savard Baker Advertising.

Mr Michael English, chairman and chief executive of Hobson Bates, is elected honorary treasurer.

Mr C. R. Vincent has been appointed deputy chairman of Reed & Smith.

Mr A. J. Hughes and Mr Frank Roberts have joined the board of Hoechst UK following the retirement of Mr L. W. Ritchie and Lord Kings Norton.

Mr A. G. Fairlie has been named as Barclays Group representative in Bahrain. He is succeeded as the group's representative in Beirut by Mr M. E. P. West. Dr Denis Calt is appointed by Barclays Bank International as East Caribbean director at the Barbados head office.

Mr Ian Logie is to become deputy managing director of European Banking Co. on June 1.

Mr William R. Slee has been appointed as executive director and member of the board.

Mr John de la Vallée Browne becomes an assistant director.

Col H. S. J. Jeff has joined the board of Tumball Eyre & Co.

Mr Graham Barrett has been made managing director of University Computing Services.



BY THE FINANCIAL EDITOR

## Tankers: where the banks are exposed

by the collapse in Bank's share price last week by 24p to 173p on Mr. R. K. Rastogi's resignation. The charterers have taken over the tankers and the market problems are operators in the spot market also for some of the world's largest tanker fleet. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet.

corresponding depletion of capital and reserves, explains much of the fall in the share price. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet.

the return on capital employed even more difficult of interpretation than usual—and it has in the past not been acceptable. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet.

Without floating exchange rates, financial and banking officials would have been in continuous emergency session for the past 18 months and the newspapers of the world would have been dominated by "crisis" after "crisis". The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet.

There were also some who considered that the "problem" of the international company was also only an epiphenomenon of fixed and unrealistic exchange rates. Put crudely, the argument was that American companies engaged in their wave of foreign direct investment in the 20 years from the late 1950s because they were unable to trade profitably from home on the basis of a dollar that was becoming increasingly overvalued by the habit of exchange rate devaluation elsewhere.

But now the dollar has been devalued, even further some might think that is justified objectively against certain other currencies at least, and there is little sign of foreign direct investment, American or otherwise, contracting—rather the reverse. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet.

These same international companies on average saw their unit labour cost at home move slightly in the other direction. In addition, their unit labour costs at home were about 40 per cent higher than the average for the whole of American manufacturing industry. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet.

This leads to the conclusion that overseas subsidiaries, by living off the backs of their parent companies, to some extent in terms of research, development and other managerial services, are able to a great extent to operate more efficiently and profitably. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet. The market view and not the ultimate financiers are the market problems are operators in the spot market also for some of the world's largest tanker fleet.

Hugh Stephenson

## Living with the multinationals

States Tariff Commission in a report published two years ago. Controls of key resources, improved access to important markets, lack of opportunity for further growth or diversification at home and tax incentives of one sort or another have all been factors in the development of international companies.

Most of these reasons for investing in foreign countries continue to have force. If, as many fear, we are on the verge of more tariff and non-tariff protectionism in many of the markets of the world, this motive for continued foreign investment will even strengthen.

That same tariff commission report underlined an internal reason for international growth. Taking the United Kingdom with all its well-known problems and weaknesses, American companies reduced their unit labour costs from 28 cents per dollar of sales in 1956 to 18 cents per dollar of sales in 1970.

Here the two most immediate issues are how anti-trust legislation and policies should be developed to cope with international operation and how such operation can coexist with the universal movement towards employee participation in the companies for which they work.

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US Direct Investment in the UK by Region, 1970-71, St James's Place, London SW1, 50p.

## Squeeze on liquidity could be at an end

The dust has begun to settle on the debate stirred up by the Budget. But there is one issue—the implications of the projected public sector financial deficit—for other sectors of the economy—which has still not been fully discussed and is likely to attract increasing attention in coming months.

Elementary arithmetic points to certain outcomes such as the end of the corporate sector liquidity squeeze which, at present at least, are at variance with prevailing orthodoxy and common sense. How does this arise and what is the solution to the conundrum?

The counterpart to the huge public sector borrowing requirement in the 1975-76 fiscal year, officially estimated in the Budget at £9,050m, is a public sector financial deficit of £7,500m. There has been something of a tendency since last Tuesday to take these figures with a pinch of salt, because the outturn in the last fiscal year was widely different from the initial estimate.

But last year's experience would suggest that the deficit will in fact turn out to be larger than planned and this, as we shall see, would only make the situation more perplexing. Accompanying these forecasts of the public sector's financial position are several predictions of an improving balance of payments position. The most widely quoted have been of Economic and Social Research.

In its February Review the institute said that it was expecting the current account deficit in the 1975 calendar year to amount to the £2,750m. For the 1975-76 fiscal year it is probably expecting a somewhat smaller figure of about £2,500m. Moreover, these forecasts are before adjustment for Budget policy changes and these if anything would tend to reduce the current account deficit further.

## Shadows hanging over Portugal

A year after the military coup of April 24, 1974, which aimed to condition Portugal to a socialist way of life, there seems little improvement in the economic situation. The revolution itself brought natural setbacks. Remittances of emigrants and tourism, the country's two great visible sources of revenue, dwindled alarmingly. The long-existent flight of capital increased to panic proportions. Home and foreign investments were suspended, and foreign credit delayed.

The country has been devilled by labour troubles including strikes and the call to employers to meet high wage claims. For small companies these have been crippling in many cases and have put them out of business. Production dropped, affecting exports, and a sharp rise in unemployment ensued, with the prospect increased as soldiers from the African wars are demobilised and migrant workers return and Portuguese settlers leave Africa.

## Rank Organisation A tempting offer

Rank Organisation's 1973-74 accounts, released in February, showed total borrowings of £250m and shareholders' funds of £195m. Borrowings are since thought to have risen to around £275m and profits this year to next October will be hurt by the Budget's discrimination against the non-Xerox interests including B.B.C. radios, television sets and photographic equipment. Last month shareholders were told that group profits were down a bit so far this year, and after May 1 non-Xerox profits will presumably go down a bit more.

So now, more than ever, Rank is a way into xerography through Rank Xerox, a thought that probably appeals to investors in the group. Even so, it is not hard to foresee that earnings—a share, fully diluted, could slip from 22.3p to 20.4p in 1973-74. It is against this unexciting background that N. M. Rothschild have framed an offer for sale on terms that are hard to refuse. That it is an offer for sale to investors outside North America and not a rights issue shows the board's continued wariness towards Wall Street. It seems not to have forgotten the way United States investors stopped the group from bidding for Wm. W. Brown in 1972 because they did not want their Xerox investment diluted. If, as is the case, British Petroleum can abide by Wall Street's over-zealous regulations, so presumably can an international company such as Rank.

That said, an issue of shares at 140p to yield 7.1 per cent is tempting bait for institutions even if Rank's shares will continue to be influenced by the behaviour of Wall Street itself. But the full prospectus to be advertised on Tuesday is expected to show that the board is not contemplating further diversification adventures, and weak United States shareholders have probably got out of Rank shares by now.

These two figures—the public sector financial deficit of £7,500m and the overseas sector financial surplus of £2,500m—necessarily imply that the financial surplus of the company and personal sectors must be £5,000m. This should not be a controversial statement. To say that financial surpluses and deficits throughout the economy are interrupted by any labour dispute is also best put into perspective by the fact that last week when a BMW executive at the company's Munich headquarters was asked what the company's strike record was, he replied: "What's a strike?"

British is one of BMW's more important markets and BMW GE was badly hit last year by the strike which resulted in the three-day week. The BMW sales success story in Britain has now resumed, but the British company may now turn to those who caused them trouble in this instance the miners.

Now that members of the miners' union leadership can qualify for cars costing up to £3,000 to be paid from union funds and individual members are earning productivity bonuses a vast new market for prestige cars could be waiting to be tapped.

But which sector will be the main beneficiary? Will it be the personal sector or the company sector? There are strong reasons for saying that the personal sector will not build up financial assets this year and that the company sector must achieve a marked improvement in its position.

In the 1974-75 fiscal year the personal sector built up financial assets on an unprecedented scale. Although final figures are not yet available, preliminary indications are that the increase amounted to £4,000m or £5,000m.

In other words, private individuals were piling up money in their current and deposit accounts and in building societies while they generally refrained from taking out new hire purchase commitments and tended to repay personal loans as quickly as possible. It is unlikely that this behaviour will continue much longer.

Most people like to have a cushion of liquidity around them because it enables them to meet their everyday transactions with greater convenience and protects them against unexpected misfortunes.

But there are clear limits to the demand for liquidity. After a tendency to convert financial assets into fixed assets, a typical example is someone deciding to use his building society savings as a deposit for a house and then taking out a mortgage.

## Business Diary in Europe: Fiat on the move

Agnelli, the manager of Fiat, let the cat out of the bag in London when he said that Italy's biggest car company is on the move. He said he received word that Fiat was planning to merge with the 100,000-man Magneti Marelli truck maker-Humboldt-Deutz.

Many of the best known names in the component business are working at well below break even. Some of them would be glad to seek shelter under the Fiat umbrella. As Umberto Agnelli admitted, "We should be able to pick up companies fairly cheaply now."

Steeling out The role of the state in industry is still a hot topic in Sweden, and has been brought to the boil by a boardroom row at Norbottens Jernverk AB, the steel producer, based at Lulea in northern Sweden. NJA is a part of Statsforetag, the Swedish state holding company, and to our own embryonic National Enterprise Board.

Lulea, capital of Norbottens County, which, in turn, has similar problems to a British development area, is to be the centre for a proposed big expansion of the steelmaking facilities of NJA. The company has secured government approval for its huge development programme but it has run into opposition.

This comes from other steel producers, opposition parties in the Swedish Parliament and from other Statsforetag company nominees on its board, three of whom have now resigned.

Ingvar T. Trogen, recently appointed managing director of state-owned shipbuilders, Uddevalla-varvet, pleaded lack of time to devote to NJA affairs. He was joined by Stigvard Bohm, head of Assa, a forestry company in the Statsforetag fold and sceptical of the steelworks expansion and then

Her Hermann Winkler, BMW director overseas targets, by Goeran Lindblom, head of a private pulp and paper company.

Current favourite for a replacement is Volvo boss, Pehr Gyllenhammar—although he hasn't much to say for himself at the moment.



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## Driving ahead

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## Death in Venice?

Not only does Venice risk disappearing under the waves, but the survival of the lagoon city's bourse is threatened.

## In case you didn't know we had it in us...

The award to The Glacier Metal Company of the Queen's Award to Industry for Technological Innovation gives us not only great pleasure but another opportunity to ram home the message that life for us at Associated Engineering is not all 'motor industry'.

The award has been given for the Glacier Herbert Sterngear System for ships, allowing inspection and repairs to be undertaken at sea, which previously would have required dry-docking.



**ASSOCIATED ENGINEERING**  
broader than you think



# RUGBY PORTLAND CEMENT



**“In my view our troubles in this over populated island are basically more moral than economic... we need inspiring leadership in all walks of life.”**

**Sir Halford Reddish**



The speech of the Chairman, Sir Halford Reddish, at the Annual General Meeting to be held on the 16th May, 1975 which has been circulated with the Report, is as follows:

I am sure you would wish me to start, as has been our custom for many years, by conveying from this meeting of shareholders your congratulations to the other partners in the enterprise, the Company's employees, on the success of their efforts. And I do this none the less heartily, none the less sincerely, although our results for 1974 (all a little short of those for 1973, and thus break our long line of successive record profits.

## DIFFICULTIES OVERCOME

In fact the shortfall is more than accounted for by the devaluation of the Australian dollar and the peculiar attitude of the Trinidad Government to our price level in recent years. I shall refer to these two points later.

The response of my fellow-workers to the difficulties in the early part of the year when so many industries were on a 3-day week, and when our own production was severely curtailed by the cut in our electricity supplies, was magnificent. I pay tribute to them all. My annual message to them is as usual printed in the Report. [Reproduced below].

Later in the year I asked every employee to consider his or her own work and suggest anything which occurred to any of them which would effect economies or increase efficiency. Again, the response was very heartening.

As you know, our results for the first six months of the year were in excess of those for the corresponding period of 1973, so we did in fact maintain our unbroken profit record for 28 years.

It was a year of many frustrations and of rapidly changing circumstances. The enforced curtailment of production in the early weeks meant that instead of building up stocks, as is our normal practice during the winter months, we were steadily depleting them. So we had some difficulty in meeting the demand for cement in the late Spring and early Summer.

## COSTS AND PRICES

Our cost of raw materials has risen sharply for three years until an adjustment had to be made in May 1974. Further price increases in September and December 1974 became inevitable and another in March 1975.

At this time last year we expected a downturn in the demand for cement by the Autumn, but it came sooner and rather more severely than we expected, and was no doubt increased by the unusually wet weather at that time of the year. Demand has also been, and is being, affected by the housing situation, with large numbers of houses unsold or even only partially built, owing not only to the financial problems of the developers, but also to the mortgage difficulties of would-be buyers.

Although 77 per cent. of our Group turnover arose in the U.K., it accounted for a fraction over 61 per cent. of the Group's pre-tax profit of £10,526,454 which compares with £10,833,491 for 1973, a drop of £407,037 or 3.72 per cent. Earnings a share on the Ordinary shares were 7.5p in 1974 (against 7.8p in 1973), and on the Participating (n/v) shares 3.0p a share (against 3.5p in 1973).

The interim dividends on both the Ordinary and Participating (n/v) shares were raised by the maximum amount allowed under present legislation, and we proposed that the final dividends should be similarly increased. This means a final of 1.380p on the Ordinary shares, making a total of 2.655p for the year, and of 1.445p on the Participating (n/v) shares, making a total of 2.280p.

## PLANT EXTENSIONS

Dividend limitation is nonsense and harmful to the country's economy. It has helped to depress the value of shares on the Stock Exchange which has prevented many companies from raising fresh capital, badly needed in these inflationary times; and it has of course hit all investors in unit trusts, all members of pension funds and all holders of insurance policies.

As you will remember, we announced plans some three years ago to double the capacity of our U.K. plants at South Ferry in Humberston and at Rochester in Kent. Planning permission at South Ferry was forthcoming quite quickly, and the new plant there, in spite of delays in the delivery of certain engineering supplies caused by the 3-day week in the early part of the year is now approaching completion.

On the other hand, we experienced inordinate and inexcusable delays in obtaining planning consent at Rochester. Since then, and in view of the rapid deterioration of the country's economic position we took the opportunity of reconsidering our original plans with a view to an even more efficient expansion. We shall thus hope to get some compensation in due course for the delay originally suffered.

Our steel reinforcement subsidiary, The Rom River Co. Ltd., had another good year and contributed its quota to the Group's results.

I referred last year to the difficulties caused by the strict interpretation of the code under which the Price Commission works. In effect, it put the common price agreement of the Cement Industry, which had functioned successfully for over 40 years, into abeyance. This agreement has been twice blessed by the Restrictive Practices Court as being in the interests of the consumer, and it was noteworthy that associations of the main groups of consumers wanted the common price agreement to be restored just as much as the cement makers. Eventually the code was amended and the Industry's common price agreement was restored on the 3rd March 1975.

This year I have not a very happy story to tell you about our overseas operations.

Under the Whitlam Government in Australia inflation has been as bad as it ever has, with the inevitable industrial unrest and drop in construction work. So the demand for cement did not come up to our expectations. Nevertheless, the plant in Western Australia of our subsidiary, Cockburn Cement Ltd., was fully employed, with increasing exports to South-East Asia, while our lime business continued to expand; but with mounting costs, the pre-tax profits were naturally lower. The devaluation of the Australian dollar was a blow which affected our profits in terms of our Group figures by something like £275,000.

In the Caribbean the problems to which I have referred in recent years continue. Four years ago we gave notice of a modest price increase, having announced our intention to spend some £5m. to provide additional capacity with a view to a substantial increase in our export trade; and we bought sites in Guyana and Barbados in order to erect depots on waterside locations. At the same time we said that when the new plant was completed we would invite public participation in our Trinidad subsidiary, which would be in accordance with the wishes of the Trinidad Government. In fact, in spite of the rise in costs over the last four years the Government (who now have virtual control over all prices) declined to allow us to adjust our prices until January 1975, when a quite inadequate rise was permitted.

## WE REGRET

The result of course has been a catastrophic drop in profits, while Trinidad has lost what could have been a flourishing export trade during the past two years. What would have cost us £5m. four years ago would now cost, even if work could start immediately, something like £16m. by the time it was finished so the scheme has of necessity had to be abandoned. The object of the Trinidad Government

was to maintain our unbroken profit record for 28 years.

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walk out on so-called "unofficial" strikes at a moment's notice in breach of their agreements, yet no employer seems to have the courage to sue them for damages for breach of contract, thus going a long way to ensure that it will happen again and again. (It is ironic that so many trade unionists who resort to industrial (in)action give support to a Labour Party.)

Respect for the law is at a very low ebb, and yet we were once probably the most law-abiding nation in the world. Crime continues to increase, while penalties decrease.

The present Government is seeking to undermine the freedom of the individual with such things as the capital transfer tax, the proposed "wealth" tax (if by the time it is introduced there is any wealth left to tax), and the Industry Bill, all of which are designed to destroy the fabric of society as we have known it in this country.

## THE INDUSTRY BILL

The Industry Bill is clearly intended to widen the nationalisation of industry, to destroy our system of parliamentary government and to pave the way for a totalitarian state. It must be fought by all who value our British way of life. Trade unionists might well reflect that if we do lapse into a totalitarian state, trade unions, with all the privileges they now enjoy in this country, will be amongst the earliest casualties.

Further, Government interference in business, often through bureaucrats with little knowledge of industry, is reaching intolerable proportions and is placing a heavy cost on companies by diverting the time of senior executives from more productive and essential work. We must fight hard for the maintenance of free enterprise if we still place a value on individual freedom.

Outside the U.K. many look on us with pity and amazement, while others scarcely conceal their contempt. Massive borrowing from abroad has helped to disguise temporarily the tremendous deficit on our balance of payments, though it commits us to heavy interest charges. But what happens when overseas lenders see

You cannot help the wage earner by pulling down the wage payer.

You cannot further the brotherhood of man by encouraging class hatred.

You cannot help the poor by destroying the rich.

You cannot keep out of trouble by spending more than you earn.

You cannot build character and courage by taking away a man's initiative and independence.

You cannot help men permanently by doing for them what they could and should do for themselves.

In the present industrial and political climate in this country the immediate future is obviously uncertain; but if the country does pull itself together before it is too late, then I have no fears for the future of Rugby Cement.

We, your employees, shall continue to do our best.

The following is the Chairman's message to his fellow-workers referred to above:

We are all disappointed that our Group profit in 1974 failed, by a very small margin, to be our 29th successive record. At the half-year we were still up, but in the second half the devaluation of the Australian dollar and the peculiar attitude of the Trinidad Government to the price of cement in Trinidad were responsible for the drop.

## WELL DONE

As far as our United Kingdom operations are concerned I am very proud of the way in which everybody responded to the difficulties which we faced in a very frustrating year. I want to say a special word of appreciation to all those in the various Works who enabled us to cope through those early weeks when our electricity supplies were reduced and we faced an inevitable and costly loss of production.

Later in the year, I asked everyone to consider his or her own work (or anything else which occurred to any of them in connection with the Company's operations) and to make any suggestion which would result in economy or increased efficiency.

I made it clear that it didn't matter how small the things in life which count most. I call to mind a verse I ran into in my teens which I have never forgotten:

"Think nought a trifle though it small appear,  
Small sands the mountain, moments make the year,  
And trifles life."

Every suggestion was examined carefully, and discussed with the author, whether or not it could be adopted. I send my thanks to all who responded.

## DIVIDENDS INCREASED

Last year the increase in our dividends had to be limited to 5 per cent. over the total distribution in 1972. There has since been some further relaxation so that the maximum amount we are allowed to distribute in respect of 1974 is 12 1/2 per cent. over that distributed in 1973.

As you know, the increase in the Ordinary share dividend is automatically reflected in the profit-sharing bonus. The higher dividend on the Participating (n/v) shares will equally be welcomed.

You will have noticed that, in spite of the slight drop in our Group profit and the increased dividends, the shareholders have in fact provided another £3,677,131 additional capital in the form of undistributed profits from our 1974 operations.

A few months ago I was asked to contribute to a series being published by a business periodical on "Advice to a Young Man in Business".

I thought it might interest you to read part of what I said:

"Your employer is paying your wages or salary in return for which it is implied that you will do your best, that you will be scrupulously honest - not wasting his time any more than you would waste his money - and, above all, that you will give him wholehearted loyalty. If for any reason you feel that you cannot be completely loyal to him, then resign and find another employer."

"Always honour your word never breaking a promise. An Englishman's word should be his bond, and if you build up a reputation for complete integrity you will have in later life an asset beyond price."

"Remember that leadership is very largely a matter of example. You owe an overriding duty in this respect to those who are working under you."

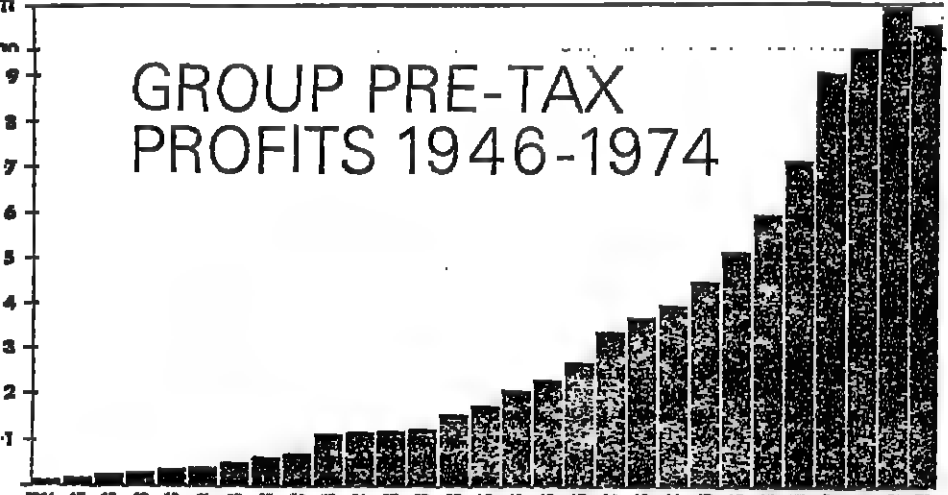
## STRONG POSITION

In these days when so many companies have found themselves in financial difficulties which in some cases have resulted in liquidation and in others in severe redundancies, you will be encouraged by our very strong Balance Sheet and our still substantial liquid resources notwithstanding our continuing capital expenditure on expansion. In spite of the uncertainties which face us all at this time I feel sure that we shall get through with no lay-offs, as we have done through the ups and downs of the last 45 years.

I know that our strong position, and the success of our method of working so far is due in no small measure to the spirit and esprit-de-corps which exists throughout the organisation. We do work all through as a team. If darker days come we shall weather them together.

I certainly am not in any way despondent about the future of the Cement Industry in this country provided that we can have less interference by politicians and bureaucrats the majority of whom know nothing whatever about industry.

I send to all of you my gratitude for your active support during a very difficult year, and my best wishes for the future.



In deliberately reducing the profits of Trinidad Cement Ltd. almost to vanishing point can but be surmised.

It is the Government-enforced drop in profits in Trinidad plus the Australian devaluation which have been responsible for the shortfall of 3.72 per cent. in our Group pre-tax profit between 1973 and 1974.

We regret that we did not quite succeed in maintaining our long run of successive record profits for the 29th year, but we can still present a very strong Balance Sheet with substantial liquidity.

I turn now to the current year.

In spite of very variable weather, our U.K. deliveries for the first twelve weeks of 1975 were in excess of those for the corresponding period of 1974. In view of conditions in the country at that time, that is scarcely surprising; but, as I have pointed out on more than one occasion in the past, the results for the first three months of any year in the Cement Industry in this country are no guide to the results for the whole year.

In any case it will be realised that we face a period of widespread uncertainty and of continued inflation, which the present Government has done virtually nothing to combat. In fact, the Finance Act 1974 was a prelude to disaster. It not only added to the inflationary pressures, but also led to a severe liquidity crisis for many industrial companies.

Since then there are signs that the Chancellor's attitude has undergone some change, and it is interesting to note that some trade unions are pressing him to allow companies to increase their profits.

## MORAL BREAKDOWN

I have said before that in my view our troubles in this over-populated island are basically more moral than economic. We are no longer a united nation which has so successfully faced crises of a different nature in the past. The American philosopher Emerson once said:

"I see this England not dispirited, not weak, but well remembering that she has seen darker days before; indeed with a kind of instinct that she sees a little better in a cloudy day... I see her in old age, not decrepit, but young and still daring to believe in her power of endurance and expansion."

That was in 1847. Would anyone say the same today?

Envy and greed dominate the demands for increased wages and salaries. Patriotism, a deep regard for the interests of the country as a whole, has ceased to be what it once was as a stimulus to the individual.

Contracts are frequently dishonoured and that in a country where an Englishman's word was once his bond. In many companies men will

I commend to our present Government, and to any future Government, whatever its political complexion, the words usually attributed (wrongly) to Abraham Lincoln:

"You cannot bring about prosperity by discouraging thrift.  
You cannot strengthen the weak by weakening the strong."

## FINANCIAL NEWS

### United Biscuits move from Europe to America for growth

By Margaret Drummond

A further increase in profit for United Biscuits is indicated by chairman Mr Hector Laing in his annual statement to shareholders—to follow last year's smart pre-tax rise from £3.75m to £13.8m.

Despite application of the Price Code, without which profits would have improved by a further £5m before tax, United Kingdom trading results show a rise from £11.8m to £15.3m, with all domestic divisions enjoying a good second half.

But the most significant event of the year, according to the chairman, was the acquisition of Keebler, the United States-based biscuit manufacturer which contributed some £2.8m to group earnings after tax and

interest charges. A survey of the overseas operations has convinced the board that North America offers the best opportunities for profitable growth.

"Selective retrenchment prudent in the present state of world trade" and the group has decided to reduce Continental activities. The Dutch offshoot, Millanac, is to be sold for £1m. United's European operations incurred losses of £1.4m last year.

Ortiz, the Spanish cake-making, confectionery company in which United acquired a 60 per cent stake in 1973, made a loss of £1.4m, further loss is feared in the current year.

Mr Laing concludes the United Biscuits is "as well placed as any other company to ride out whatever storms we have to face".

### BICC faces up to fall in home sales

Another captain of industry who fears a downturn in domestic demand is Mr W. Fraser, chairman of British Insulated Callender's Cables.

His annual report sent out over the weekend was written before Mr Healey's measures, and the board had the unknown factors of the Budget and its effects on demand for cash flow and liquidity. Most areas of the group's business started the year with reasonable order books, but they now face declining demand.

They face a very hard year in which the solution of many complex problems worldwide will have a big bearing on BICC's prosperity.

### Inflation blow to rally by Youghal

With the degree of inflation any increases an unknown quantity, an accurate forecast is not possible, says Mr Brian O'Brien, chairman of Youghal Carpal (Holdings), the Irish concern. Costs, particularly wage salaries and other overheads arising at an alarming rate, while inflation is likely to mean larger sales, involving more money, an eventual squeeze on margins is a corollary.

On a brighter note, Mr O'Brien thinks that it is unlikely that the severe trading conditions met with last year will be repeated, and an improvement in profitability is on the cards.

## Commodities

### Wet spring bodes ill for sugar beet crop

At present, the answer to the sugar market lies in the soil—and more particularly, the effect this wet spring will have on the sugar beet prospects for the autumn. Up to a week ago, United Kingdom farmers had contracts to sow 489,942 acres of beet for the British Sugar Corporation. Although additional small parcels of land will be contracted, it seems certain that the target of 500,000 acres, will not be reached. Even so, barring problems, performance ought to be better than last year's when the New York had more time to absorb the news, and in price closed the equivalent of £4 up. Fencing prices only recovered to Malaysian 9941 a picu from the previous day's slump to Malaysian 9335, from Malaysian 9550.

The ITC export cuts an effective immediately. Soon quarter exports by the severe producer members had been projected at 39,660 tonnes of 32,000 tonnes over the remainder of 74 days. This has been cut back to a total of 26,226 tonnes allocated as follows: Australia, 1,161 tonnes; Bolivia, 4,791 tonnes; Indonesia, 3,641; Malaysia, 11,581; Nigeria, 1,107; Thailand, 3,129 and Zaire 34 tonnes.

Under the terms of the current agreement part of the curb is to be absorbed into the international buffer stock. Since the buffer stock manager is believed to be buying heavily recently to support the floor price of Malaysian 9909, but the finance is not available, the price is not available. Only 25 per cent of the required export reduction may be bought by the buffer stock manager, it has been announced.

The remainder will have to be achieved by mining cutbacks. Unconfirmed reports are that the buffer stock in excess of 6,000 tonnes were among the reasons suggested by leading merchants for the comparatively unexciting market reaction to the export restriction.

These stocks are assumed to have been built since late December, when buffer stock stood at only 142 tonnes.

The speed of increase in these stocks, and the cost of financing them, would seem to indicate that stern action will be required to reduce the stock cut. However, the market was well aware that LHM stocks have also climbed from around 2,000 tonnes at the beginning of the year to over 5,000 tonnes. Consumer inventories are also over-supplied, and demand is weak. One extreme view, for example, suggests that UNH consumption may have fallen as much as 30 per cent during the first four months of this year—although general estimates of the extent of this decline are closer to 20 per cent. In any case, the price has risen to 4,000 to 6,000 tonnes.

Other factors affecting the market's unenthusiastic response include the fact that other areas of the market are subject to ITC control. These include over 5,000 tonnes year from Brazil, and an even larger quantity from China, possibly up to 10,000 tonnes a year. In addition there is still available from the United States General Service Administration some 20,000 tonnes of tin for disposal with special concessional arrangements for a further 50,000 tonnes which could be disposed of with Congressional blessing.

During 1975 GSA sales have fallen to 430 tonnes from the 1974 total of 2,357 tonnes. General merchandise will not be sold under the strict ITC controls, but the force prices up before demand improves.

## Tin cutback severe

Last week's imposition by the International Tin Council (ITC) of an average 18 per

**THE RUGBY PORTLAND CEMENT COMPANY LTD.**  
CROWN HOUSE, RUGBY



## FINANCIAL NEWS

Halford Reddish  
Calls Bill 'a step  
towards totalitarianism'

High United Kingdom for the first three of the current year were a corresponding period, it is no guide to the year for the cement industry. Sir Halford Reddish, in a pre-annual address to shareholders, said:

"The government has done nothing to combat... Sir Halford Reddish, never short of a few barbs at Government, at the best of times makes a vigorous attack on the industry. This he declares, 'is clearly intended to widen the nationalisation of industry, destroy our system of parliamentary government and pave the way for a totalitarian state'."

Ford Concrete recoups  
a good second half

One of the interference during the first half, Concrete Machinery, recouped its trading position in the second half of 1974, edged its pre-tax profit from £1.3m to a record interim profit of £2.1m. The group's pre-tax profit for the full year would have an adverse effect on results of P. W. Woolworth was given by the chairman, Mr. Stephen Owen, at the annual meeting. By the third quarter the effects of these payments will begin to phase out and profits should then be moving for the better. The group is on target for 1975 with sales to date up 25 per cent and overall it is in line with the board's budget for an increase in profits by the year end.

Further sale by  
Centrovincial

In return for \$41m (£6.25m) Centrovincial Estates has contracted to sell Northway House, Sydney, to the Australian Gas Light Co. The building was completed in 1974, but was only about 30 per cent leased and so made no contribution to net revenue last year.

The proceeds of the sale, which "substantially reflects the current book value" will be used to reduce the company's indebtedness.

Another property for Australia was sold in February for \$41.5m (£6.5m), and two United Kingdom properties were disposed of last year for over £1m.

The board is to continue this policy of reducing short-term debt by further realisations.

## S Pacific Properties

Deterioration of economic conditions in the South Pacific, particularly in Australia, in the second half of last year, market activity in property at a virtual standstill—were blamed by South Pacific Properties for a fierce profit setback in 1974 from \$HK25.8m to \$HK5.8m. The contraction of overall business also severely affected the tourist sector throughout the region.

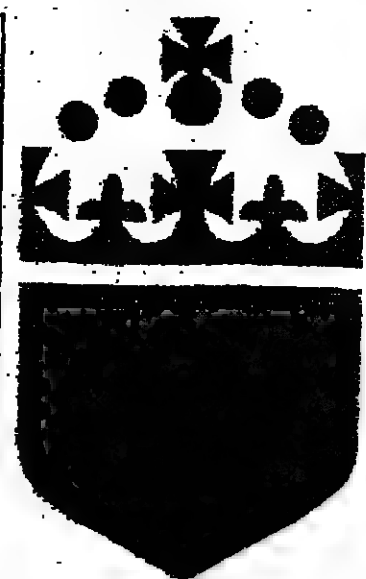
High interest rates and uniquely high interest rates caused the failure of some major property and construction groups in Australia. Replacement of the contractor at its development in Fiji greatly affected earnings from all the group's activities.

## List of fixed interest stocks

Stock	Price	Yield
1. 7% 1980	54	54
2. 8% 1980	56	56
3. 9% 1980	58	58
4. 10% 1980	60	60
5. 11% 1980	62	62
6. 12% 1980	64	64
7. 13% 1980	66	66
8. 14% 1980	68	68
9. 15% 1980	70	70
10. 16% 1980	72	72

IS PROVIDENT  
E OFFICE

HERBERT GIVEN, HUNDRED and SECOND ANNUAL MEETING, is appointed to be held at 10.00 AM, on WEDNESDAY, 1975 at 3.30 PM. The Accounts for the 1974-1975 financial year will be presented to the Directors and the members of the company.

Royal  
Insurance

"We have taken and are taking vigorous action with regard to underwriting"

Daniel Meinertzhagen (Chairman)

The Annual General Meeting of the Royal Insurance Company Limited will be held on Wednesday, 14th May, in Liverpool. The following extracts are from a statement dated 3rd April by the Chairman, Mr. Daniel Meinertzhagen, sent to stockholders with the 129th Annual Report and Accounts.

**Results**  
Conditions in 1974 were very difficult. In all our principal areas of operation accelerating and high rates of inflation affected both current claims costs and the level of reserves necessary to cover outstanding claims. At the same time, in a number of territories where we have substantial business the insurance industry indulged in irrational levels of competition. As a result of this and an exceptionally high level of catastrophic losses amounting to some £14.0m, we suffered an underwriting loss of £39.8m (1973 £5.0m). Despite a 17.6% increase in the investment income to £51.8m, the profit before tax fell to £15.0m compared with £40.9m in 1973. The profit after taxation was £10.7m (1973 £26.1m). Stockholders will recall from my letter to them in August that we had indicated our intention of recommending payment of a final dividend of 7.544p which at the time was the maximum we were allowed to pay. Although it will be necessary, for the first time since 1921, to draw upon past profits—to the extent of £4.4m—in order to pay this dividend, your Directors felt in all the circumstances that there was no cause to depart from their expressed intention. Their recommendation will be put to stockholders at the annual general meeting and if approved will, with the interim dividends of 5p already paid, make the total distribution for the year 12.544p (18.723p gross) compared with 11.65p (17.101p gross) for 1973. Although the inflationary situation persists and other economic difficulties remain, we have some hope that so far as our own industry is concerned the worst conditions have passed and that underwriting and we do look for a marked improvement in underwriting experience over the current year as a whole. However, we do not expect this to be reflected in the early months of this year.

† With the stockholders' tax credit at 35% as announced in the Budget this will be 19.069p gross.

**Accounts**  
I am glad to report that the rise in stock markets since the end of 1974 has been more than sufficient to make good the then depreciation in investment values and has increased the Group's ratio of stockholders' funds to 1974 premiums (commonly referred to as the 'solvency margin') from the year end level of about 19% to a present level of about 34%.

**USA**  
The underwriting result was a loss of £27.2m compared with a loss of £1.6m in 1973. The low rate of premium growth, 2.3% in dollar terms, was the result of a deliberately selective process and the number of exposures on our books has been reduced very significantly in some lines. 1974 was undoubtedly the worst year on record for the insurance industry in the United States and it is estimated that the industry as a whole lost \$2.5 billion in 1974 on underwriting. In the face of the adverse turn in our own underwriting experience we have introduced remedial measures of a degree of severity well beyond previous programmes and we are now engaged in a detailed review of the profit potential of all units. We believe the outcome will be a basically stronger business which will then be able to expand vigorously and profitably.

**The United Kingdom and Republic of Ireland**  
We had a satisfactory result despite increasing competition and inflation, the underwriting profit being £3.5m (1973 £5.4m). Premiums again increased strongly by 18.3% to £138.7m. Modest rating increases have been insufficient to cover the increasing cost of motor claims and, if inflation continues at current levels, it is clear that rates will have to be raised at more frequent intervals. Further increases are also inevitable in the premium rates for general liability business. I imagine most stockholders will be aware that the insurance industry has been in discussion with the Government for some time on the question of protecting policyholders of companies which are unable to fulfil their obligations. This is a contentious subject and while we as a company appreciate full well the hardships that this can cause, we have always felt that our first duty was to our own policyholders. Nevertheless, we have accepted that it may be socially necessary to have some kind of protective scheme but only on the basis that the burden is spread equitably over the whole market and also that the scheme is not in such a form as to encourage irresponsibility in the market which would be an inevitable consequence if every company had the effective backing of the leaders of the industry such as ourselves. We have achieved a large measure of agreement with the Government on the scheme that is likely to be introduced to protect policyholders but we strongly believe that there should not be any statutory requirement upon the industry to rescue companies.

**Canada**  
The underwriting loss increased from £3.7m to £6.6m whilst premiums rose by 21.1% to £80.2m. Industry sources anticipate that the total underwriting loss for the Canadian market could be as high as \$300m. In a more rational market this should lead to some limitation in capacity and to a consequent easing of competitive pressures. Whilst it is too early to say that this is happening, the combination of rating increases and some lessening of competition should help to bring about an improvement in the underwriting situation.

**Australia**  
Premium income rose by 33.4% to £55.9m and the underwriting loss increased to £11.3m (1973 £6.2m). Whilst we are not expecting to return to underwriting profitability in 1975, the remedial actions which we have taken should be beginning to bear fruit. In the reasonable expectation of less serious weather disasters, we are looking for a substantial improvement in the results.

**Europe**  
Premium income increased by 38.1% to £54.9m and there was an underwriting profit of £1.4m compared with £0.7m in 1973. Despite the highly competitive conditions which seem likely to persist through much of 1975, we continue to attach importance to the further active development of our business in Europe and are shaping our operations accordingly. The result of the June referendum on continuing EEC membership is important to our operations in Europe and we believe that withdrawal by the United Kingdom at this stage would endanger the continuance of what has been a satisfactory rate of development in recent years. This is apart altogether from such adverse effect as withdrawal might have on the United Kingdom economy and hence on our United Kingdom business.

**Elsewhere Overseas**  
Premium income increased by 12.2% to £55.6m with an overall profit of £0.4m compared with £0.8m in 1973. In South America wherever economic prospects are favourable we are increasingly seeking to develop close relationships with leading local companies and other important interests. Reference was made last year to important new developments which were taking place in our business in Asia, in particular in Japan and Hong Kong. Our various plans for long term expansion of our interests in this continent, where last year our premium income grew by over 40%, are going well and in Iran we participated in the establishment of a new insurance company, the 'Hafez'.

**Engineering**  
Our engineering insurance subsidiary, the 'British Engine', increased its worldwide premium income by 30.9% to £23.1m and produced an underwriting profit of £0.6m compared with £0.5m in 1973.

**Marine and Aviation**  
Worldwide premium income increased by 21.2% to £39.1m and the underwriting profit was £1.2m compared with £1.9m in 1973.

**Investments**  
The rise in interest rates, together with increases in dividends on ordinary shares and the investment of accruing funds, produced a useful rise in our investment income. It cannot be said that the economic outlook is clear but such improvement as there has been in markets is very welcome to us. Although, with our large equity portfolios, we suffered considerably from falling markets, we are now feeling the benefit of our general strategy of investing for the long term.

**Life and other Long-Term Business**  
New business completed during the year fell back from the record figures obtained in 1973, new annual premiums at £11.1m falling by £1.4m and new single premiums at £15.4m being £3.7m lower. We believe that last year's reduction in business will prove a short-lived interruption in the growth pattern established over the last few years but the future will inevitably depend upon developments in the economic situation. The bonus rate on 'Royal' United Kingdom life assurance policies is £4.50p per annum compound and we have now declared bonuses at this record rate for the past six years. Bonus rates on with-profits annuity contracts have also been increased to record levels.

Copies of the Report and Accounts can be obtained from The Registrars Department, 1 North John Street, Liverpool L69 4AS.

Summary of Consolidated Results			
	1974 £m	1973 £m	
<b>General Insurance Premiums</b>			
Written	863.8	574.7	
<b>Earnings</b>			
General Insurance Underwriting Result	-39.8	-5.0	
Investment Income on Stockholders' and General Insurance Funds	81.8	44.0	
Stockholders' Long-term Insurance Profits	1.7	1.3	
Share of Associated Companies' Profits	1.3	0.6	
<b>Profit before taxation</b>			
	15.0	-0.9	
Less UK and Overseas Taxation	4.3	14.7	
Minority Interests	0.0	0.1	
<b>Net Profit (per unit of stock)</b>			
	10.7	26.1	
	(8.9p)	(21.9p)	
<b>Dividend</b>			
Interim	3.0	5.3	
Second Interim	3.0	6.6	
Proposed Final	9.1	—	
Total (per unit of stock)	15.1	13.9	
	(12.5p)	(17.7p)	
<b>Transfer to Retained Profits</b>			
	-4.4	12.2	

\*10.9p on 'nil distribution' basis

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